

bility of furnishing market prices of cotton, corn, wheat, live stock, and dairy products by radiophone to the farmers; with amendments (Rept. No. 1064). Referred to the House Calendar.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. O'CONNOR: Committee on Naval Affairs. S. 1690. An act to correct the military record of John Sullivan; with an amendment (Rept. No. 1063). Referred to the Committee of the Whole House.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WRIGHT: A bill (H. R. 11886) authorizing the acceptance of the proposal of Henry Ford for the completion and leasing of the dams and hydroelectric plants at Muscle Shoals and for the purchase of nitrate plant No. 1, nitrate plant No. 2, the Waco Quarry, and the interest of the Government in the Gorgas Warrior River steam plant, all in the State of Alabama, dated May 31, 1922; to the Committee on Military Affairs.

By Mr. COLTON: A bill (H. R. 11887) providing for location, entry, and patenting of lands within the former Uncompahgre Indian Reservation in the State of Utah, containing gilsonite, or other like substances, and for other purposes; to the Committee on the Public Lands.

By Mr. WILSON: A bill (H. R. 11888) extending jurisdiction of the Mississippi River Commission; to the Committee on Flood Control.

By Mr. COLTON: A bill (H. R. 11889) providing for the sale and disposition of lands within the former Uncompahgre Indian Reservation in the State of Utah containing gilsonite or other like substances; to the Committee on the Public Lands.

By the SPEAKER (by request): Memorial of the Legislature of the State of Maryland, urging the passage of House bill 10734; to the Committee on Interstate and Foreign Commerce.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHINDBLOM: A bill (H. R. 11890) granting an increase of pension to Charles Wilson; to the Committee on Pensions.

By Mr. FITZGERALD: A bill (H. R. 11891) granting a pension to Ella H. Candy; to the Committee on Invalid Pensions.

By Mr. GILLET: A bill (H. R. 11892) granting a pension to Laura M. A. Jones; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 11893) for the relief of Marion F. Wade; to the Committee on Military Affairs.

Also, a bill (H. R. 11894) for the relief of Thomas R. Powers; to the Committee on Claims.

By Mr. HAYS: A bill (H. R. 11895) granting an increase of pension to William H. Hayes; to the Committee on Invalid Pensions.

By Mr. JAMES: A bill (H. R. 11896) granting a pension to John L. Williams; to the Committee on Pensions.

By Mr. KUNZ: A bill (H. R. 11897) for the relief of Ovid Lemieux and Joseph M. Caulfield; to the Committee on Claims.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 11898) granting an increase of pension to Caroline Kinsloe; to the Committee on Invalid Pensions.

By Mr. SPEAKS: A bill (H. R. 11899) granting a pension to Sylvester Condon; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 11900) for the relief of First Lieut. Claude L. Gamble, Quartermaster Corps, United States Army; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5881. By the SPEAKER (by request): Resolutions adopted by the twenty-ninth convention of the Brotherhood of Locomotive Firemen and Enginemen, assembled in Houston, Tex., relative to the proposed steps to be taken by the Government regarding Alaska; to the Committee on the Public Lands.

5882. By Mr. BARBOUR: Petition of Poplar Grange, No. 359, Porterville, Calif., urging the election of farmer stockholders as officers of the Federal land banks; to the Committee on Banking and Currency.

5883. By Mr. BURTON: Evidence in support of House bill 11875, granting a pension to Alice L. Byers; to the Committee on Invalid Pensions.

5884. By Mr. CLASSON: Petition of John O. Miller and others, of Mariette, Wis., for the establishment of a Jewish national homeland in Palestine; to the Committee on Foreign Affairs.

5885. By Mr. DUPRE: Resolutions of Order of Eastern Star, Grand Chapter of Louisiana, in behalf of the Sterling-Towner bill; to the Committee on Education.

5886. By Mr. GALLIVAN: Petition of F. L. Dunne & Co., Boston, Mass., protesting against paragraphs 1109 and 1110 of House bill 7456; to the Committee on Ways and Means.

5887. By Mr. HAYS: Petition of Fred Stuart, of Ava, Mo., and 86 other citizens of Douglas County, in favor of passage of Senate bill 3310 and House bill 7213; to the Committee on Invalid Pensions.

5888. By Mr. JAMES: Resolution adopted by the Presbytery of Lake Superior at Sault Ste. Marie, Mich., indorsing Senate Joint Resolution 31, relative to enacting uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5889. By Mr. KISSEL: Petition of Commercial Standards Council, New York City, urging the passage of House bill 10159; to the Committee on the Judiciary.

5890. Also, petition of Devoe & Reynolds Co. (Inc.), New York City, relative to paragraph 62 of House bill 7456; to the Committee on Ways and Means.

5891. By Mr. McLAUGHLIN of Nebraska: Petition of sundry citizens of Seward, Seward County, Nebr., protesting against the passage of House bill 9753, or any other Sunday bill; to the Committee on the District of Columbia.

5892. By Mr. RIDDICK: Petition of residents of Dodson and Gallatin County, Mont., urging passage of the Towner-Sterling bill; to the Committee on Education.

5893. Also, petition of veterans of the Spanish-American War, Bridger, Mont., urging that adjusted compensation bill be amended to give bonus to Spanish War veterans; to the Committee on Ways and Means.

5894. Also, petition of farmers of Aloe, Power, Emory, Enid, and Fairfield, Mont., urging the revival of the United States Grain Corporation; to the Committee on Agriculture.

5895. By Mr. SNYDER: Petition of Immanuel Congregational Church, West Winfield, N. Y., protesting against a treaty which will return the Armenians to unrestricted Turkish control; to the Committee on Foreign Affairs.

5896. By Mr. TAYLOR of Arkansas: Petition of Mr. B. Blue-stone and Mr. I. B. Williams, Rison, Ark., favoring adoption of a resolution for establishment of the national Jewish homeland in Palestine; to the Committee on Foreign Affairs.

5897. By Mr. WATSON: Petition of citizens of Norristown, Montgomery County, Pa., favoring the Bursum bill; to the Committee on Invalid Pensions.

5898. Also, resolution passed by the Pennsylvania State Chamber of Commerce at its annual meeting, October 11, 1921, favoring the adoption of the amendment to the Constitution of the United States concerning nontaxable securities; to the Committee on the Judiciary.

5899. By Mr. WILLIAMSON: Resolutions adopted by the Hecla Commercial Club urging the passage of the Sweet bill, relative to State railway commissions; to the Committee on Interstate and Foreign Commerce.

5900. Also, resolutions adopted by the Aberdeen Commercial Club, favoring the passage of the Sweet bill, relative to State railway commissions; to the Committee on Interstate and Foreign Commerce.

5901. By Mr. WOODYARD: Memorial relative to completion of river improvements in the Ohio River; to the Committee on Rivers and Harbors.

#### SENATE.

MONDAY, June 5, 1922.

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

#### THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WATSON of Indiana obtained the floor.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Frelinghuysen	McKinley	Smoot
Brandegee	Gooding	McLean	Sterling
Cameron	Hale	McNary	Sutherland
Capper	Harris	Nelson	Swanson
Caraway	Harrison	Newberry	Townsend
Colt	Heflin	Nicholson	Underwood
Culberson	Johnson	Oddie	Walsh, Mass.
Cummins	Jones, N. Mex.	Page	Walsh, Mont.
Curtis	Kellogg	Phipps	Warren
Dial	Kendrick	Pittman	Watson, Ga.
Dillingham	Keyes	Rawson	Watson, Ind.
Edge	Ladd	Sheppard	Willis
Ernst	La Follette	Shortridge	
France	McCumber	Simmons	

Mr. UNDERWOOD. I wish to announce the necessary absence, on account of illness, of the Senator from Florida [Mr. FLETCHER]. I ask that this notice may continue during the day.

Mr. CURTIS. I desire to state that the Senator from Washington [Mr. JONES] is absent on official business.

The VICE PRESIDENT. Fifty-four Senators have answered to their names. A quorum is present.

Mr. WATSON of Indiana. I have agreed for a moment or two to yield to the Senator from Wisconsin [Mr. LA FOLLETTE] to call up a couple of resolutions in which he is interested and which he assures me will take no time for debate.

#### NAVAL OIL RESERVE LEASES.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 294. I am certain it will lead to no debate and that it can be disposed of immediately.

The VICE PRESIDENT. The Secretary will read the resolution for information.

The reading clerk read the resolution submitted by Mr. LA FOLLETTE and reported from the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

*Resolved*, That S. Res. 282 is hereby amended by adding at the end of said resolution the following:

"That the said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpoenas or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, and other assistants, and stenographers, at a cost not exceeding \$1.25 per printed page. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpoenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate."

Mr. WARREN. Mr. President, may I ask the Senator which committee will conduct the investigation?

Mr. LA FOLLETTE. The Committee on Public Lands and Surveys is to carry on the investigation. This is an amendment to the resolution directing the investigation regarding the leasing of certain naval oil reserves and especially the Teapot Dome in Wyoming.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

#### PRICES OF CRUDE OIL AND GASOLINE.

Mr. LA FOLLETTE. I now ask unanimous consent for the present consideration of Senate Resolution 295. I will take a moment to state that it is an amendment to the resolution introduced by the junior Senator from Tennessee [Mr. McKELLAR] directing the Committee on Manufactures to make an investigation into the prices of crude oil and gasoline. I introduced the present resolution as an amendment to that resolution and had it referred to the Committee to Audit and Control the Contingent Expenses of the Senate. It was reported back favorably on Saturday, and I now call it up and ask for its present consideration.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That Senate Resolution 292 is hereby amended to read as follows:

"*Resolved*, That the Committee on Manufactures, or any subcommittee thereof, be, and it is hereby, authorized and instructed to investigate and report to the Senate as early as possible—

"First. The stocks of crude oil, gasoline, and other petroleum products at refineries or elsewhere in the United States at the end of each month for the years 1920, 1921, and 1922, and the holders or owners thereof.

"Second. The prices of crude oil, gasoline, and other petroleum products during the several months in said years and their relations to each.

"Third. Whether or not the recent increases or other recent changes in the prices of gasoline or of other petroleum products have been

made generally or uniformly by all companies, and whether there have been marked local differences in the price changes made.

"Fourth. The profits of companies refining and marketing petroleum in the United States for the years 1920, 1921, and the first half of 1922.

"Fifth. Whether there is any natural reason for the changes of prices of crude oil, gasoline, and of other petroleum products, or whether there has been any understanding or agreement between various oil companies to raise or depress prices, or whether there are any conditions of ownership or control of oil properties or of refining and marketing facilities in the industry in any part of the country or branch of the business which prevent effective competition.

"Sixth. And all such facts as bear upon the recent changes in prices of crude oil, gasoline, or other petroleum products or upon any other of the foregoing matters.

The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpoenas or otherwise; to require the production of books, papers, and documents; to employ counsel, experts, and other assistants; and to employ stenographers, at a cost not exceeding \$1.25 per printed page. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpoenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate."

#### PROPOSED MERGER OF STEEL COMPANIES.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Federal Trade Commission relative to the proposed merger of certain steel companies, in response to Senate Resolution 286. The communication will be referred to the Committee on the Judiciary and printed.

Mr. LA FOLLETTE. Mr. President, the communication just laid before the Senate is very short. I had an opportunity to see it, and I ask to have it read. It will take but a few moments.

Mr. WATSON of Indiana. Mr. President, I would like to proceed. Can not the letter be read later on? I have already yielded pretty well to my friend.

Mr. LA FOLLETTE. It would take not to exceed 10 minutes to read it, but if the Senator is anxious to proceed I will wait until he has concluded, and then I shall take the floor and read the communication into the Record.

Mr. WATSON of Indiana. I will be obliged to the Senator if he will do that.

Mr. LA FOLLETTE. Very well.

#### THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WATSON of Indiana. Mr. President, there were two courses open to the Republican members of the Finance Committee with reference to the discussion of the pending amendment, and whichever course was chosen we were bound to be more or less at a disadvantage from the beginning because of the ability and the insistence of the opposition.

One course was to refrain from debate. We had been led at the beginning to believe that our friends, the enemy, did not intend that this bill should be passed until a short time before the election. We still believe that. So if we indulged in debate we but played into their hands, and, in a sense, helped to filibuster our own bill. Believing that this measure when passed and placed in operation would justify itself, we chose the opposite course and determined to refrain almost wholly from debate; but, having chosen that course, it was not free from difficulties, for the reason that Senators upon the other side insisted upon asking questions of the chairman of the Committee on Finance, the Senator from North Dakota [Mr. McCUMBER], and the senior Senator from Utah [Mr. SMOOT]. Thus pressed with questions, those Senators could not fail to respond, because if they had chosen such a course they would have been charged either with ignorance or with mendacity or with purposely declining to debate the great proposition for which they, above all others, stood as sponsors on this floor. So it was not altogether possible for them to refrain from debate. They felt compelled to answer questions, and therefore, later on, to explain items and schedules of the bill. This, of course, has all taken time; and yet it is quite evident that this bill is not to be passed until shortly before the elections; and it is my present view that our friends will permit it to be passed then.

Mr. POMERENE. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Ohio?



Mr. WATSON of Indiana. I do.

Mr. POMERENE. As one Member on this side of the Chamber, I certainly shall not consent to a filibuster; but in view of the fact that the discussion of this bill began on April 20, 1922, and we have now been, perhaps, six weeks in the discussion, and this side of the Chamber is charged with a filibuster, and in view of the further fact that the House of Representatives began consideration of the bill on January 6, 1921, and it took from January 6, 1921, until April 11, 1922, to get a report from the Finance Committee, let me ask the Senator in all candor, is he quite fair when he charges Senators on this side of the aisle with a filibuster and an effort to delay? Might we not with more force charge Senators on the other side with being, perhaps, guilty of some sinister purpose when they have taken this long time to get the bill into the Senate?

Mr. WATSON of Indiana. Mr. President, that is a fair question from a fair-minded man, and I shall be very much pleased to answer it.

In the first place, everybody knows that all revenue legislation must originate in the House of Representatives, and that after the internal revenue tax bill had been passed by the House of Representatives and brought over here it was the unanimous verdict of the country and the consensus of opinion in the Senate that the consideration of the tariff bill should be temporarily suspended by the Finance Committee until the internal revenue legislation was out of the way. We followed that course, and, as I now look back upon it, I think wisely. Of course, it took a great deal of time to formulate the revenue measure and it took a great deal of time to pass it through the Senate. Immediately after that the consideration of the pending measure was resumed by the Finance Committee.

That committee labored assiduously and unremittingly from 9 o'clock every morning until 5 o'clock or 5:30 o'clock every evening in the consideration of the measure. We found untoward conditions; we found unusual situations; the commerce of the whole world was in a chaotic condition; values were uncertain; costs were changing; prices were shifting. We labored as no other committee has ever labored within my knowledge of legislation to get at the real facts, to find the basic truths. After we had thus labored we brought forth this bill, which I believe under all the circumstances to be the best balanced tariff bill in all respects that has ever been introduced into the American Congress.

Mr. POMERENE. Mr. President, there is room for an honest difference of opinion on that subject. I agree with the Senator from Indiana that Senators on the other side of the Chamber have had very great difficulty in coming to a conclusion; I judge from what has been said on the floor of the Senate as well as from what has been said to me by individual members of the Finance Committee in private conversation that Republican Senators have had very great difficulty among themselves in coming to a conclusion; but allow me to suggest that the difficulties which confronted my distinguished friend from Indiana and his associates also confront the Members on this side of the Chamber. If it took the majority of the Finance Committee all these long months to give birth to the bill which is now before us, it seems to me that a reasonable time at least ought to be allowed the Senators on this side of the Chamber, who are just as sincerely patriotic as are Senators on the other side of the Chamber, to discuss and consider the bill.

I have judged from some of the things that have been said by certain Members of the Senate that, in the judgment of a few of them, Senators on the other side of the Chamber have a monopoly of all the brains and all of the honor and all of the integrity which is in the Chamber. I am not referring, of course, to my distinguished friend from Indiana on that branch of the subject. It does seem to me, however, that we on this side ought to have at least a fair opportunity to discuss some of the questions involved in this measure.

Mr. WATSON of Indiana. Mr. President, I shall not make reply to the last insinuation of my friend, but as to the first part of his interrogation, which is worthy of reply, I desire to say that the able Senator from Ohio is a lawyer, and what he wants to do is to have as much time to argue the case as it takes to get the evidence before the jury. That is never done, and never ought to be done. Senators on the other side of the Chamber spent four days discussing the tariff rate on vinegar and three weeks in discussing the chemical schedule.

Mr. HARRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Georgia?

Mr. WATSON of Indiana. I yield.

Mr. HARRIS. Mr. President, I do not desire to get into any partisan debate this morning; what I want is to get through with the business of the Senate; but I desire to remind the Senator from Indiana that the subcommittee of the Committee on Appropriations worked on the Army appropriation bill for six solid weeks all day long. There was a great difference of opinion among members of the committee, including the majority members themselves. Nevertheless we worked hard and reported to the Senate a bill carrying over \$300,000,000 and involving a number of questions that would have ordinarily, perhaps, taken weeks to discuss in a legitimate manner, and we got that bill through the Senate in less than half a day. The reason the bill was passed through the Senate in that time was because the minority members of the committee were trying to get through with the business of the Senate in a short time.

I do not know any Senator on this side of the Chamber who wants to filibuster. So far as I am concerned, and so far as the Senators who I hear discuss the question are concerned, we want to get through with this bill. If it is a good bill, as the Senator from Indiana says it is, he ought to be glad to have all the discussion which can take place on it, in order to let the country ascertain how good a bill it is. For my part, I think it is the worst tariff measure that has ever been thrust into the Senate. I think we ought to discuss it, but I am not willing to filibuster, and the Senators on this side are not willing to filibuster, and it seems to me Senators on the majority side can have very little argument to use in favor of the measure when, instead of defending the bill, they come here and charge that we are indulging in a filibuster, when the RECORD shows that we are not.

Mr. WATSON of Indiana. Mr. President, the instance cited by my friend from Georgia recoils upon him and destroys his own argument. For six weeks the Committee on Appropriations labored with the Army appropriation bill. It was a measure of vast importance and contained a large number of items and appropriated a great sum of money, but it was not partisan, and it was, therefore, passed in a day.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

Mr. WATSON of Indiana. I yield; but I am going to quit yielding, because I will not get through to-day unless I do.

Mr. HARRISON. I should like to say that in the preparation of the Army appropriation bill both Democratic and Republican members of the committee were present; they participated in the deliberations of the committee in the consideration of the bill, whereas the preparation of the pending tariff bill was confined to the majority members of the committee when it came to writing the bill, and the Democratic minority were not permitted to come in.

Mr. WATSON of Indiana. There never has been a tariff bill in the entire history of tariff legislation since the beginning of the Civil War, and even before, that was not formulated precisely as the pending bill has been formulated, by the members of the majority, because, being a partisan question, they have the right to formulate it along partisan lines and to express the party thought and opinion in the bill. That is precisely what we have done.

Mr. WATSON of Georgia. Mr. President, before the Senator from Indiana quits allowing interruptions, will he not allow me to ask him a question?

Mr. WATSON of Indiana. I certainly shall.

Mr. WATSON of Georgia. Is it true, as has been rumored, that the Finance Committee heard the same delegations representing the same manufacturing interests again and again and thus killed time?

Mr. WATSON of Indiana. It is not true.

Mr. WATSON of Georgia. I would not have asked the question if I had not been told so by the leader on the other side.

Mr. WATSON of Indiana. Well, we are all leaders over here, and, of course, I do not know to what leader the Senator from Georgia refers.

Mr. WATSON of Georgia. That is the reason why they do not lead.

Mr. WATSON of Indiana. Perhaps we do not lead as Democrats are led; but we get on in mass formation and we always run over the other fellows when the day of battle comes.

Mr. WATSON of Georgia. They have not been doing it very much here of late.

Mr. WATSON of Indiana. A majority of 7,000,000 votes does fairly well.

Mr. HEFLIN. Mr. President, the Senator means that they are now trying to run over the people by this bill, I presume.

Mr. WATSON of Indiana. Mr. President, I desire to refer briefly to the difficulties which confronted the members of the Finance Committee when the consideration of the bill was begun in the Senate. As I have said, we could choose one of two courses: One was to decline to debate in order to insure the passage of the measure; the other was to debate, and therefore play into the hands of the opposition, who, we believed then and believe now, do not intend that this bill shall pass until shortly before the election. I believe as firmly as I am standing on my feet here that if this were now the 1st day of October the opposition to the passage of the bill would melt into nothingness and that we would be permitted to put it through.

The reason is this: Up to this time the opposition has had the newspapers. The forces which attack always get the ear of the newspapers. The other side may or may not, but certainly the side attacking is heard where the side that defends may not have a hearing. So up to this time those who have attacked, the assailants of the measure, have taken up most of the time of the Senate and have occupied most of the space in the newspapers. Therefore they have gotten their side of the controversy before the people. If there be something of misinformation about it and something of misunderstanding about it, it behooves us to correct it, notwithstanding some little time it will take to do it.

Senators, we all go back—those of us who are old enough personally and those who are not old enough go back traditionally—to 1890, when the McKinley bill was passed just a month before the election.

We all know the result to the Republican Party and to the great leader himself, Mr. McKinley. We remember the tactics that were pursued by our Democratic friends in that campaign, and if an opportunity is given they intend now to do the same thing, for they do not propose to give this measure a chance to justify itself by actual operation in the United States. We recall that they went over McKinley's district, and that they sold tin cups, or attempted to sell them, for 50 cents apiece, and coffee-pots for \$1.50 to \$2 apiece, and wash boilers for from \$5 to \$8 apiece, and when questioned about such outrageous prices they said, "Well, this is the result of the McKinley tariff on tin which your candidate for Congress has put on that product in his tariff bill." My friend over there smiles, but he knows that just as well as he knows that I am talking about it, and I was in the district at the time and campaigning as a young man and saw it myself, and I know its disastrous effect; and yet what was the final result? The final result was, as the world knows, that within five years we were making in the United States all the tin that we consumed in the United States. We had literally picked up that industry in Wales and transported it over to the United States. We were employing American laboring men and paying them a higher wage than was ever paid in Wales, and investing American capital, and adding to the thrift and prosperity of the American people. That is what happened. In other words, that bill did not have a chance to justify and vindicate itself in the eyes of the people.

What was done in 1890 is precisely what our friends on the other side intend to do to-day. If they believed that this bill is as vicious and as illogical and as inequitable and as un-American and as immoral as they say it is, they would get out of the way and let us pass it in the next 15 minutes, with one roll call. There is not a shadow of doubt about it on earth.

Mr. WATSON of Georgia. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Georgia?

Mr. WATSON of Indiana. I do.

Mr. WATSON of Georgia. Does the Senator from Indiana mean to say that smiles upon this side should be put on the tax list?

Mr. WATSON of Indiana. Mr. President, I have listened to the speeches made on the other side with very much interest, though not with grave concern. I have heard them all before. During the last four or five days I have taken occasion to run back over the tariff discussions beginning with 1824, again in 1828, and in 1832, and on up to 1840, and then the tariff bill of 1846, then the McKinley law, and then the Payne-Aldrich law. I could lift bodily the speeches made in many of these debates and place them in the RECORD of to-day and attribute them to Senators on the other side, and I would not miss five sentences in most of the speeches made—precisely the same charges, precisely the same prophecies, precisely the same predictions, and all with the same inevitable result. Six times in the history of the United States free trade has dissipated our industries, paralyzed the arm of labor, and put capital on crutches,

and six times the protective tariff system has resuscitated our industries and brought prosperity to a stricken people; and the same speeches were made on the other side every time, and they are being made to-day.

In 1897 we passed the Dingley law, and the Dingley law was the highest in its rates of any law we ever enacted in the history of the country. Under the McKinley law the average ad valorem was 47.72 per cent. The average free and dutiable was 25.17 per cent. Under the Dingley law the average ad valorem was 47.78 per cent; the average free and dutiable was 26.13 per cent.

Under the Payne law the average ad valorem was 41.21 per cent, 6 per cent less than under either of the previous laws, and the average free and dutiable was 20.13 per cent, 6 per cent less than under the Dingley law, and 5 per cent plus less than under the McKinley law. So under the highest law ever passed in the history of the United States, my fellow citizens, we prospered as no other people ever prospered in all the recorded history of time, and we came out of a condition as deplorable as any nation had ever known; for the administration of Grover Cleveland, with its free trade bill, cost this country more in the loss of wages and more in the decline of prices and more in the shrinkage of values than the Civil War in America, with all the loss that it entailed upon the people and upon the industries of the Republic.

I want now for a little while to show what some of our Democratic friends at that time said was going to happen under the operation of that bill, precisely the words used now, exactly the language employed now, talking about a higher bill than we propose here, for the rates in that bill were higher than those we propose in this bill; and oh, the dismal tales of woe, and oh, the direful prophecies, and oh, the freezing terrors that were going to grip the Republic if that awful law was fastened upon the helpless people of the Nation! Just the same old wail and the same old prophecy, always singing in a minor key, like an owl that sits on the limb of the dead past and hoots the same old dismal hoots that have been hooted for 150 years of American progress.

Senator Vest said—and he was some orator and some statesman, just as dead wrong on this tariff question as the mother that stands on the bank of the Ganges and throws her babe in to appease the wrath of some nonexistent god. What did he say about it? He said:

I plead, of course, to deaf ears, so far as this Chamber is concerned.

I wish our friends on the other side would come to that same conclusion now.

I plead, of course, to deaf ears so far as this Chamber is concerned, and I have not the gift of special prophecy; but I tell my friends on the other side, continue this thing and you will repeat history as it occurred after the act of 1890. There is an instinct of fair play and right in the American people which will not tolerate this sort of illogical, indefensible, and outrageous taxation.

Does not that have a familiar sound?

If any Senator can tell me why, with the existing conditions, this duty upon tin plate should be increased, I shall be more astonished than I have ever been in my whole political career.

We all know why it was increased. It was put on and then decreased under the Democratic law, and it threatened to destroy the industry in the United States, and we put the tariff back on and saved it, and it has marched on from that day to this as a living monument to the wisdom of a protective-tariff system.

Senator Caffrey, of Louisiana, had this to say, expressing the awful fears that seized and gripped his terrified soul:

Sir, the Republican Party went to defeat under the high tariff of 1890. That was but a skirmish compared to the battle that is to be in 1900. Then will come the Waterloo of Republicanism. The Napoleon of the tariff can then meditate on the ingratitude of the Republic, and the blindness of them who fail to see the blessings of paying somebody else a part of their money to make them rich.

Sir, the industries that have flourished in the United States are those grounded on natural advantages. Our wheat and cotton and corn never needed and can not prosper under a tariff.

Think of a man making a statement of that kind in the light of all that has transpired under that law and under the operation of every other protective tariff.

It is so of the leading manufacturing industries, iron, cotton, wool, and wood.

Why, my fellow citizens, I stop long enough to say that but for the imposition of a tariff these industries never would have been established in the United States. We put on a tariff to establish the iron industry, we put on one to establish the steel industry, and the cotton-manufacturing industry, and the woolen-manufacturing industry, and the tin-plate industry, and the pearl-button industry. They and all these other industries have



been established in the United States in the first instance because of the imposition of a protective tariff, and would not have been established aside from that, because they never could have met the withering and the blasting competition of the pauper labor of Europe but for the imposition of a protective tariff.

Senator Allen said:

Mr. President, I want to see the bill pass.

There was a man that had the logic of the situation. He was willing to follow it to its direful conclusion, and wanted it tested. I wish my friends on the other side were so frank now.

I want to see the bill pass. I want to see it pass as speedily as possible. In my judgment it will be the gigantic failure of the age. It will fall short of producing revenue. Although its purpose is as I said, I want to see the great body of honest American citizens who believe there is something in the tariff issue to learn by bitter experience, if they can not learn otherwise, that the tariff is a delusion and a snare.

I do not know what course I shall pursue then, but I believe, and I believe the American people are becoming daily convinced, that the bill will be a failure the moment it is adopted.

I shall not stop to give you the history of that just now, for I want to go on and recite others of these prophecies, I trust for your interest, if not for your instruction.

Senator Chilton of Texas said:

The bill, under the guise of levying taxes, is to be made a great instrumentality of protection. In my judgment, it will fall by its own weight. It will fall as the McKinley law fell whenever it comes to the test before the American people and they learn its results by actual experience.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. WATSON of Indiana. Yes; I yield.

Mr. HARRISON. Will not the Senator read to us what he said in advocacy of the Payne-Aldrich tariff law?

Mr. WATSON of Indiana. Yes; and what I said came true. It was all fulfilled.

Mr. HARRISON. It came true to the extent that your party was turned out of power for passing the Payne-Aldrich bill.

Mr. WATSON of Indiana. Not by reason of the passage of the Payne-Aldrich tariff bill at all. Other things led to the overthrow of the Republican Party in 1912, temporarily. Unfortunately, I was there when it happened, and I know that the Payne-Aldrich tariff bill did not have anything to do with it.

Mr. STANLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana further yield?

Mr. WATSON of Indiana. Yes.

Mr. STANLEY. As I understand it, the Senator means to state that his party was guilty of a multitude of other sins besides the passage of the Payne-Aldrich bill, and that this industrial crime alone was not responsible for the discomfiture of his party?

Mr. WATSON of Indiana. No; I am not going to Kentucky to raise any standard of either sin or virtue, I will say to my friend across the river. I am not going to talk about that. What I am saying is this. I intend no reflection.

Mr. STANLEY. Mr. President, I do not expect the Senator to come to Kentucky. Those who love darkness rather than light never seek it; and an Indiana Republican will always keep away from Kentucky until a power higher than any party organization has cleansed his political soul and made him fit for the better Democratic life in old Kentucky.

Mr. WATSON of Indiana. And from Kentucky! [Laughter.] Good heavens, think of that!

Senator Mills, of Texas, who himself was the author of a tariff bill, used this language:

Do you think there is no hereafter?

I have heard that question asked on the other side four or five times in this debate.

Wait until the swallows homeward fly. There is a tribunal whose doors are always open, and we will invite you to meet us there. If the people of the United States endorse your doctrine and the policy that you write on the statute books to-day, they are not fit for self-government.

And yet for 125 of the 145 years of the history of this Nation we have operated under the protective tariff system, but this man had the audacity to say that if we adopted the protective tariff system the people were not fit for self-government. I continue reading from that speech:

Nor will they do it, either. They will bring you to an account, and the places that know some of you to-day will know you no more hereafter forever.

We are casting our pearls away faster than our enemies can gather them. We are turning dead ears to the voices that come to us from Massachusetts and Virginia that our Government is for free men, for

the preservation of our natural rights, for the security of our happiness and well-being, and not for the profit of any one man, or family, or class of men. Our ship is driving upon the rocks, and unless we seize the helm and change its course, the historian will emerge from the darkness to write the melancholy pages of the decline and fall of the great American Republic.

Think of a man making an assertion of that kind about the passage of the Dingley bill, which absolutely worked wonders, as everybody knows, in the history of the United States—industrially, commercially, and financially. Not only that, but it brought our Nation, numbering less than one-twentieth of the population of the globe, to that high position among the peoples of the earth where we owned one-half of all of its railroads, two-thirds of all its telegraphs, and three-fourths of all its telephones, while we did one-third of its mining, one-fourth of its manufacturing, one-fifth of its agriculture, and owned one-sixth of all its wealth. Yet this man said it would bring despair to the people and usher us into the oblivion of decay.

On page 1671 of the Record, Senator Gorman, of Maryland, not a novice, by the way, in political affairs, expressed himself in this fashion:

The country will understand it. The country will understand perfectly that this great scheme of prosperity, this great measure of relief, adds tenfold to the taxation on the consumption of every man of moderate means in the land while there is nothing here that attempts to approach the ideal—making men pay for the support of the Government in proportion to their wealth. The whole system is unequal and unjust. The people's verdict will be that of 1892.

Senator Tillman, then in his prime, gave forth this tribute to the protective-tariff system:

The time will come when the tariff will sink you Republicans, because you can not give prosperity under any scheme of duties that you may enact.

Senator Morgan, of Alabama, a very great leader and a very great statesman, was seized with fear for the downtrodden industrial masses, who were going to be the sufferers, and prophesied panic, disorder, and distress to follow in the wake of the passage of that bill. He said:

But after a while, Mr. President, this thing is going to stop, because the other people who are not provided for, the great industrial masses of this country, will not be able to earn enough to pay these bounties, and depression and calamity will take place in the country; panic will appear in the commercial and financial marts, and this bill will produce it. Causes now exist sufficient to produce it, but this bill will aggravate it; and after this bill has had its first reviving effect upon these so-called industries of manufacturing, etc., when the reaction comes in this country, there is no man, I think, who has bestowed his thoughts sedately upon questions forecast in his mind that this country, by virtue of this political tariff, assigned by a political party, is bound to suffer panic, disorder, and distress.

Senator Jones, of Arkansas, the predecessor of my very dear friend from Arkansas, who on Saturday evening delivered himself of a philippic against the pending measure, said:

You can not make the people rich by taxing them, and you can not make them prosperous by making them pay higher prices for what they have to buy without giving them increased facilities for doing so.

Let them try this bill, if the friends of the measure of high protection are sufficiently strong in this body to put it upon the statute books, but when it has become the law of the land the promised prosperity fails to come, as I am sure it will fail to come, then the question will be asked at once of these gentlemen, "You promised us prosperity, by the passage of the tariff bill, and what do you propose to do now? How do you propose to give us prosperity now?" The people will be doubtful in their belief of what is promised them because of the failure at this time.

And here is another quotation from Senator Vest:

Mr. President, coming events sometimes cast their shadows before. Our Republican friends propose now to put back the high duties upon wool and upon woollen goods. When the people of this country find that experience in the past has been verified as to results in the future, when they know that these promises have been kept to the ear and broken to the hope, there will come a day of reckoning. The Republican Party, mark it, will come back to this Capitol broken and shattered with the irresistible logic of having made promises which they have not kept.

Senator Bate, of Tennessee, foresaw the lifeblood of labor being sucked out by the enactment of that law. He said:

It will be an indirect and constant drain upon the great body of consumers.

It would increase poverty where it now exists and multiply wealth where it now abounds. It will suck the lifeblood of labor and make of it a pale and sickly dependent. It will encourage capital to combine and build up those modern curses, trusts and monopolies. It will multiply tramps and millionaires.

Think of that sort of a prophecy about the enactment of the Dingley law! Senator Chilton again said:

We now come to Schedule G, entitled "Agricultural products and provisions."

I read this because precisely the same line of attack has been made against the agricultural schedule set forth in the pending bill, and, singularly enough, made by at least one of the men who voted for the emergency tariff act, which carried higher rates than the pending bill carries in the agricultural schedule.

Senator Chilton said:

We now come to Schedule G, entitled "Agricultural products and provisions." This should more properly be styled the "Fraud schedule" because, while designed on its face to benefit the farmer, it really does him no good whatever, and in some paragraphs actually adds to his burdens.

Teach the farmer the truth; teach him to bare his arm against protection at every point; teach the farmer that he can never gain a fair share in this protection robbery; teach him to fight it to-day, to-morrow, and next year; teach him to make war against the first schedule, the second schedule, the fourteenth schedule—all the schedules; teach him to muster with that party which will move manfully toward ultimate free trade in this country; and when you do that, we can write another such platform as the Democratic Party wrote in 1856 and we can win another such victory as was won under Buchanan as our candidate for President.

I pause long enough to read what President Buchanan said in his last message about the tariff of 1856; not directly about the tariff but about the results of that tariff as inevitably to follow as night is to follow day. Buchanan said:

With unsurpassed plenty in all the elements of national wealth, our manufacturers have suspended, our public works are retarded, our private enterprises of different kinds are abandoned, and thousands of useful laborers are thrown out of employment and reduced to want.

Yet a Senator standing on the floor of the Senate said he wanted a return of the tariff that brought about such an anomalous condition in the United States, anomalous because with all of our natural resources, with all of our inventive genius, with all of our capacity for management, and with all of our ability to make skilled laborers in the United States, we ought to lead, industrially, commercially, and financially, and not be prostrate and helpless before all the other people of the world. Yet, whenever we permit, in free and unrestricted fashion, the products of the cheap labor of Europe to come into competition with the products of our labor, there can be but one of two results; our laboring people must come down to the wage level of the foreigners or else shut up shop. There is no other alternative, and every time we have tried a Democratic tariff we have shut up shop, and every time we have adopted a Republican tariff we have opened the shops, the boys have gone back to work, and the hum of industry has again come to bless and gladden the ears of all the people.

Senator Jones, of Arkansas, again said:

I, for one, believe that this bill will, when enacted into law, utterly disappoint its friends; that there will be no substantial revival of business as the result of it; that there will be no stimulation of commerce by reason of this law being written on the statute books.

This bill, levying the highest rates of tariff taxes ever known in this country, will only aggravate the evils already almost unendurable.

Senator Morgan said:

The people will hold you up to it, and that one item of responsibility, to say nothing about pine timber or anything else, will crush this bill into dust and ashes when the people get a chance at it at the next election. They are not deceived. They do not fail to understand the situation, nor, sir, do they fail to feel it.

The Senate did not have a monopoly upon the prophets then or now, and some of them were men with whom my honored friend from Kentucky and my other friend from Alabama associated, along with me and other Members on the other side as well as on this. Congressman Ball, of Texas, had this to say:

The days of the Republican Party will be "few and full of trouble," and the wrath of an outraged people, which reached high-water mark in 1892, will come again and cover them in 1900, as the molten lava from Vesuvius did the ancient cities of Pompeii and Herculaneum.

Oh, how our friends hunted the dictionary to find new adjectives and coin new phrases to describe the terrors that would come upon the people after the Dingley law was passed, and the same prophecies are being uttered to-day on the other side, in almost identical language, about this bill, with lower rates than that bill carried, and it will inevitably be followed by the same result.

Congressman Lanham, of Texas, said:

Pass your bill, reeking as it does with blight and burden, carrying as it does disaster and distress, freighted as it is with woe and waste, filled as it is with injustice and oppression to your fellow men; but it will but briefly blot and blur the statute books of this mighty Nation, for it is against the genius of our institutions, the ethics of civilization, the proprieties of life, the equities of good government, and the conscience of a free people that Mammon shall be enthroned and that money shall rule man in this land.

Beautiful, is it not, and especially in the light of all the facts? I think it was the late Senator Dolliver who said, what comes to me now in speaking of those prophecies, that if Noah had predicted a drouth instead of a flood, and put in a system of waterworks instead of a boat, he would have been a shining example of prophetic insight as compared with these purveyors of woe on the Democratic side. The words come to me now, and I think they are entirely apt and appropriate.

Congressman Handy, of Delaware, said:

When the farmer learns by further bitter experience how heavy are the burdens you lay on him, and how futile the pretended protection for him in this bill, he will join the workman in the demand for another campaign for tariff reform. You pass this bill to-day, but you must know full well that its reckless provisions are too grievous to be borne with patience. \* \* \* This bill seems to me a cruel and unjust measure, the most outrageous tariff bill that American politics has ever known.

And my friend from Georgia but now repeated the language, his voice still reverberating within the four walls of this Chamber. Every tariff bill is the most outrageous and the most infamous and the most inexcusable and the most illogical and the most un-American of all the tariff bills that has ever been proposed, and yet we have gone on and passed them despite these complaints and these walls; we have made them into law, and the country has gone on from mediocrity to greatness, and from greatness to grandeur under the operation of a protective tariff law, and under the combined operation of all these successive tariff laws we have come to be easily first among all the peoples of the world in everything that pertains to national greatness.

Not only that, but under the stimulating effect of these successive protective-tariff measures we had brought our people to that high place among the nations of the world in 1917 where we were absolutely essential to their salvation. They reached out their blood-stained hands to us across the sea and asked for help, and we were in position to give them help—why? Because we were strong at home, and we remained strong at home because we had attended to our own business; we had developed our own resources; we had diversified our own industries, employed our own labor, and increased its wages. We had invested our own capital and remuneratively invested it, and we had brought our people to that condition among the peoples of the world where we were in a position to help when they wanted help. And, my fellow citizens, the same situation confronts us now. It is up to us whether or not this same policy shall be continued or we shall pursue the will-of-the-wisp, vacuous, and fatuous policy of free trade.

But let me go on. Congressman Stephens, my personal friend for many years in the House, was a very honorable gentleman, who believed what he said. These gentlemen are all sincere—that is to say, as to the fundamentals of the tariff. I can not doubt that some of them are playing a little politics when they stand up against the immediate passage of this bill, because if I were on the other side and I believed the bill would work the havoc they say it will, I would get out of the way and let it go through. It would inevitably result in a Democratic House; it would certainly be followed by a Democratic President; and there would be no escape from either result. But they do not intend that it shall be passed in time to give a demonstration of what its provisions will do by way of the employment of labor and investment of capital and the resuscitation of industry, which, by the way, is fairly well on the upgrade even now.

Congressman Stephens, of Texas, said:

If the trust and money powers, led on, as they are now, by the Republican Party, can carry these, their pet designs, into execution, the laboring and producing millions will be forced into a slavery far worse than the peons of Mexico have ever been subjected to.

Does not this have a natural ring:

I now warn our Republican oppressors that whilst the mills of the gods grind slowly, they grind exceedingly fine, and in the near future I expect to see the laborers and producers of this country by the power of their ballots drive from power the Republican Party and their cormorant allies.

Congressman Dockery, of Missouri, almost 20 years a Member of the House and afterwards governor of his State, a very high-minded and honorable gentleman, too, had this to say:

"McKinleyism" and "Dingleyism" are both extreme illustrations of the vicious policy of paternalism. The McKinley Act in the campaigns following its enactment led the Republican Party to disaster. The Dingley Act in the campaigns to come will prove still more disastrous to that party.

It was Waterloo for the Republican Party in 1890 and 1892. It will be Waterloo, Sedan, and Pultowa, all in one, in 1897 and 1898.

Dire prediction, but, oh, what futile prophecy!

Now I come to the part that I want more particularly to impress upon Senators, because it is the one phase of the situation which our friends on the other side are pressing most insistently upon us, and to which they are most persistently calling the attention of the country, and that is that if we pass the bill we will destroy our foreign commerce and ruin our export trade. Their cry began with John C. Calhoun and Thomas A. Benton. I have their speeches, and never could this argument be more eloquently put than they stated it. Their cry has been repeated from then until now, over and over again,



every time we have tried to pass a tariff law, that we can not sell to other people unless we buy of them, and that we can not buy of them because of our high tariff wall.

That is precisely what my friend the Senator from North Carolina [Mr. SIMMONS] said the other day. He said exactly the same thing about the Payne-Aldrich law, precisely the same thing about it, and those who preceded him, not only from his own State but his colleagues and associates, said the same thing about the Dingley law, and made the same prophecies about the destruction of our export trade. It is not confined to men of this country, but men who come here as the accredited representatives of other nations stand up before us and say that if we expect to trade with them we must not pass this tariff bill, we must not have a high tariff wall interposed between them and us, that they can not sell to us because of the tariff wall, and that we can not sell to them unless we buy of them. That is the argument. It is here to-day. It has been here every day. I want to answer it by the irresistible logic of events and by the irrefutable force of facts.

But I want first to give some of the prophecies, and show how they are to-day repeating the same thing over yonder on the other side of the Chamber, and inevitably they will be followed by the same results.

Senator Morgan said:

We are making war upon the commerce of the world for the purpose of dividing out amongst politicians and political retinues in the United States those benefits which come from political action in a recent presidential election. We are fastening down upon the commerce of the world burdens which it can not stand, which will necessarily cripple our commercial relations with foreign nations, and there is not a nation in the world to-day, from Mexico to Turkey, which does not understand that the tariff bill which we are now enacting is a war upon the commerce of the world.

Again, he said:

Let it come, but when we are destroying our own people and their happiness and prosperity by the exaggeration and outrages of the tariff, do not let us aim our shafts at a country like Japan, which has done so much to try to assist in her civilization and her rise and progress amongst the nations of the earth.

Senator Turpie, as learned a man as ever sat in this body in a generation, whose successor I am on the floor of the Senate, had this to say:

What will be the effect of the increase, the excessive increase of taxation upon imports? It must necessarily affect exports. It must necessarily reduce exports. These two act and react upon each other. It must lessen the demand for cotton, for wheat, for corn, for all the cereals, the true surplus of our country.

Let me stop and ask where on earth my predecessor got that sort of logic? We do not put a tariff on anything that goes out of the country. Everybody is free to come in here and buy, whatever our tariff laws. We put a tariff only on things that come into the United States, not on things that go out. Under our Constitution we are prohibited from placing an export duty upon any article, and they are just as free from duty now, no matter what sort of "tariff wall" we have, if we may use the term "tariff wall."

The nations of Europe and the nations of the world do not buy of us because they love us. No; they buy of us because they can get better goods and cheaper here under the impetus we give to labor and to investments and to invention than they can get anywhere else in the world. That is why they come here and buy, and any import wall which we erect can have no place in our economic policy so far as interfering with foreign commerce is concerned.

Mr. STANLEY. Mr. President, will the Senator yield?

Mr. WATSON of Indiana. I can not yield. I am right in the midst of this quotation from Senator Turpie:

It must lessen and reduce the price of those great commodities of international exchange. It must consequently leave the people less able to pay the rates of taxation than they are at present. I do not think there has been a bill drafted in the history of the Government which commits so large and unprovoked a spoliation upon the commerce of the world as the bill we are to-day considering. The decrease of exports and the falling market for our cereals may be considered the compensatory duties which will follow the passage of this enactment.

I want Senators to keep in mind what my distinguished predecessor said when I come to show the actual facts, to set over against prophecy the logic of what occurred, and that after all is the best answer to any free-trade doctrinaire argument.

Senator Bate said:

At the same time we are considering here in Congress the most effectual tariff system that shall paralyze the industries of other nations, deny them access to our markets, and shut off seventy-five millions of consumers from the production of other nations.

Yes; that is what we are trying to do; not to shut them out but to preserve the American market for the American producer,

looking first after our own labor, our own capital, our own farmers, our own natural resources, and our own industries, and then selling abroad whatever surplus we may have, and the facts show that any tariff we ever erected in no wise interferes with that sale.

Let me proceed. Congressman Ball, of Texas, said:

Never yet have the powers of government been so perverted, the interests of favored classes so advanced, and the rights of the masses of our people so trampled upon as by this outrageous and indefensible measure.

This bill is a declaration of commercial war upon the nations of the earth. It will not open a single market for anything we make or produce; it will close many to various industries; it will not add a customer to our mills or factories from abroad, and domestic consumption can not be increased by raising the cost of our own wares to a people without money to buy their present output at existing prices.

Why, our own colleague over here, the Senator from Virginia [Mr. SWANSON], delightful gentleman, whom we all love, uttered this prophecy:

The passage of this bill means to destroy this vast trade, which is fast increasing each year. It means an abandonment by the United States of the markets of the world. It means, on our part, a policy of isolation, instead of one of progress and enterprise. It means a confinement of the sale and purchase of commodities by our citizens to the limit of their own country, to be freed by the favored few who are the recipients of the bounties and privileges of this bill.

Congressman Lewis, of Georgia, said:

But your tariff bill will not bring general prosperity. It is true it will enlarge the profits and income of a part of the people, on the one hand, and increase the burdens of the masses, on the other hand.

I tell you this will limit our greatness; it will dwarf our Nation. Protection that forces all consumers to patronize their home manufactures, virtually limiting the manufactures to sell only to our home consumers, reminds me of an old story of two snakes fighting. They began swallowing each other, and at the end of the fight only their heads were left unswallowed.

I shall not go into all of these prophecies, but, without objection, I shall print some others along with my remarks.

Senator Mills, on page 1326 of the RECORD, while discussing the window-glass schedule, saw some danger ahead:

These high rates will be put on, and worse rates will be put on. Your exports will be cut off or reduced in value; your people will be further and further oppressed, and money will be made scarcer, without which it will be impossible to pay debts or to pay the dues to the National, State, and local governments.

Other Senators and Representatives could see only disaster coming upon the people in the discussion of specific items. Senator Vest was a prophet of some renown in those days, and said, at page 1234:

I do not believe that the imposition of larger taxation, either in the shape of import duties or internal revenue taxes, will lift the cloud that now rests upon the people of the United States. I do not believe that higher tariff duties will bring back sunshine and illuminate this whole country, as we have been told over and over again by our Republican opponents.

How do you expect by increasing tariff taxation to enable the farmers of this country to purchase manufactured goods? How do you expect to give them the means with which to buy the articles, the price of which you propose to increase by your tariff imposition?

But I am just as sure as I am of anything that can possibly be determined that the proposed tariff law will not relieve the country, and that your imposition of import and internal revenue taxation will simply increase the trouble and not bring relief to the people.

When we supply the home market, when the Lead Trust is making millions and millions of dollars and declaring its enormous dividends of 12 per cent upon its stock, why should we put up the duty half a cent a pound, double the duty upon lead, and nearly double it upon white lead, which goes upon the cottage of every poor man in the land?

It seems to me that the increase is utterly indefensible. I do not propose to go into it, but take the crockery and earthenware schedule, to which my friend, the Senator from Rhode Island, alluded. The increases in that schedule, I was about to say, are appalling. They were too high in the Wilson Act, by far too high, and none of us upon this side attempted to defend them.

Senator Caffery, on page 1267, objected to the duty on borax:

I submit, Mr. President, that this is cutting a little too deep with the tariff knife, even upon a bill which is framed on the scientific lines of the highest protective ideas of the Senator from Rhode Island. One hundred per cent upon such a necessary of life as this, which will enhance the cost of every material into which the mineral enters as a raw material, is excessive, and it is clearly shown by the letter which I have read from this firm in New York that this tariff will produce no revenue whatever, but will cut off importations.

Page 2207:

In a few days, Mr. President, this bill will pass, the evil to be wrought by it will be consummated, and the people of the United States will be treated to such a dose of tariff as was never thrust down them before. This bill carries higher rates than the McKinley law. In a time of profound peace we have a bill in comparison with which the Morrill tariff bill of the war pales into utter insignificance.

Senator Clay, on page 1529, doubting as some do at the present time that the tariff was an issue in the late campaign, said:

Pass this bill and place it upon our statute books and its advocates and those who reap its benefits will come back with renewed energy and demand more protection. This bill will not give relief to the people. I deny that it was the real issue of the last campaign.

Senator Gray, from Delaware, on page 1559, had fears for the lumber business of this country. He said:

We should be no better off if consuming fire had devastated every forest north of the Canada border, and yet that would produce the precise effect that you are seeking to produce by a protective tariff. The world's wealth would be that much decreased, and every man, woman, and child who depends upon lumber for shelter would suffer an appreciable loss, but of course the owners of the timberland would gain, because the price of timber would be increased, and that is what a protective tariff seeks to do. It seeks to do what fire and flood might do, to make a scarcity, as the Senator from Nebraska so well said a while ago, and fill the pockets of those who are fortunate enough to possess the article to be sold.

Senator White, on page 1670, foresaw the tightening of the pouches that contained the Republican campaign funds:

The public knew and know that the party to which the distinguished Senator from Iowa belongs is in power; they knew and know that a tariff bill is going through just as the Republican members of the Finance Committee construct it—everyone knows that—and yet, with this absolute certainty before them, the people of this country do not seem to be overburdened with confidence, money coffers have not opened, industry has not awakened, enterprise remains fettered, poverty stares us in the face. These conditions are more emphatic than ever. The looked-for panacea fails to act. The real remedy will not, in my judgment, be found in this or any other tariff bill.

Senator Allen, Populist, from Nebraska, on page 2789, naturally felt as the Democrats, and so expressed himself:

Every burden in the form of high specific duties, added to which are large ad valorem duties, is imposed upon the industrial classes of our country. The bill is made prohibitory in many of its features. The American market is to be turned over to the American shark; the American commercial highwayman is to sail his black flag of piracy unchecked, and he is to fix the price of everything consumed by the farming and laboring classes of the United States. He has ample liberty under the provisions of this most iniquitous bill to impose prices largely in excess of reasonable profits upon what he may produce or handle.

Again, on page 2827, Senator Jones, of Arkansas, was covered with a sweeping and general cloud of anxiety:

The pending bill is framed on the theory that more taxes will relieve the present distress. It is clear enough if one man or one set of men shall be allowed to levy these taxes on their fellows that the condition of those who are permitted to levy the taxes for their own benefit may be greatly relieved by the enactment of such a law. But what must be the condition of those upon whom such taxes are levied? Bowled already by the burdens of taxation, harassed and distressed by debt and want, those who must submit to the exactions of the favored few will only have their condition made harder and harder by the grinding exactions of this bill. An increase in the cost of nails and glass, wood screws, chinaware, glassware, woolen cloths, and cotton goods may readily swell the fortunes of those who manufacture and sell these articles, but every cent legislated into their pockets by this bill must be taken out of the pockets of the consumers.

Congressman Hunter, of Illinois, on page 93, foresaw in detail every possible ill that might be enumerated on the passage of this measure:

Mr. Chairman, this tariff bill brought in here by the Committee on Ways and Means is infamous. It stands like a highwayman in the road of the American people to prosperity. It is an enemy to legitimate industry, a menace to the ambition and hopes of enterprising people, a crime against labor and agriculture. It is a financial outlaw; it has not one redeeming quality in all of its provisions; they are all bad. It revives imperial ideas of government. It puts a premium upon profligacy and idleness. It brings the venal and vicious into control. It fastens a shoddy nobility upon the country. It forces the earnings of the wealth producer into the pockets of a class who render no consideration. It is a harlot masquerading in the robes of virtue. The sum of all covetousness, avarice, and inordinate greed. It stands without a rival in extortion, and brings reproach upon American character. It lays the burdens of taxation more heavily upon the farmer and the laborer now than ever before.

It limits the exchange of the farmer's surplus product and reduces the price.

It has no reference to raising the necessary revenue to support the Government.

It enhances the value of the protected article to the home consumer and limits the field of labor.

It compels every laboring man in the country to give more of his earnings for the protected goods and leaves labor on the free list.

Its advocates contend that the more money it takes from the taxpayer the richer they become.

It has created 470 trusts and corporations, whose net income is more than six hundred millions annually.

It violates every principle of honesty and integrity.

Its life is drawn from the polluted blood of avarice.

It is robbery under the forms of law.

It closes the doors of the factories and turns men, women, and children into the street to starve and to die in order to influence and secure legislative favors.

Congressman Bailey, of Texas, on page 2739, brings out that oft-repeated but false statement, in effect, that the "tariff is a tax upon the consumer."

But, Mr. Speaker, we do not rest our opposition to this bill solely upon the ground that it will injure the country by encouraging extravagance and discouraging the production of wealth. We go further than that, and without a moment's hesitation we declare that even if it would add nothing to the expenses of the Government and subtract nothing from the wealth of the country it ought not to pass, because it is intended to enable our manufacturers to charge our consumers increased prices for their goods.

Congressman McMillan, of Tennessee, on page 2747, gives in few words his opinion of the bill:

This Congress was called not to raise revenue but to plunder the people and enrich the manufacturers.

While Congressman J. W. Stokes, of South Carolina, on page 111, again and finally warns the Republican leaders:

Let the Republican Party beware. The fate of the Cleveland dynasty awaits them, as it awaits every party that dares trifle with the verdict of the people at the polls. \* \* \* You may pile up the tariff like Pelion upon Ossa, but it can never bring prosperity to the farmer.

Thus history repeats itself. While our friends on the other side of the Chamber may or may not really mean all that they say, yet we of this side believe that the future prosperity of this country—agriculturally, industrially, and commercially—depends upon the protection afforded under the Republican policy, and, moreover, the prosperity of the world depends as never before upon the prosperity of the United States.

Running on down through the prophecies in regard to the Payne-Aldrich law, uttered by the same men in the same language as those who are now prophesying on the other side of the aisle, telling us what awful things are going to happen to us, foreboding dismal in character and limitless in extent, giving wing to the imagination and hunting up new adjectives so as to amplify their vocabulary to describe the awful condition of industry and the people should we pass the pending tariff measure, we find the same old crowd, the same old arguments, the same old prophecies, the same old Democratic Party, and always followed by the same results.

What did we do? I have read some of these prophecies in order to show what they said was going to happen. But what did happen? I will read you these figures very quickly, for this is one way to catch them without studying.

Exports and imports under the McKinley law: Notwithstanding all they said about the destruction of our foreign commerce, about diminishing exports and imports and dwarfing our trade abroad, let me call attention to these. Listen. In 1891, 1892, 1893, and in 1894 our exports were, respectively, \$884,480,810, \$1,030,278,148, \$847,665,194, and \$892,140,572; and our imports were, respectively, \$844,916,196, \$827,402,462, \$866,400,922, and \$654,994,622. Why was there a falling off in the last year? Because of the anticipated enactment of a Democratic free-trade tariff law. The decrease in imports shows the effect of that law. It is the easiest thing in the world to explain why. When people over here were out of work, they did not have the money with which to buy; therefore they did not buy anything either abroad or at home. That is all there is to it. It was all brought about because of the theory of cheapness. I have speeches here to show that Democrats have said that we ought to go and buy wherever we can buy the cheapest. The doctrine of cheapness is the most fallacious doctrine that has ever tainted political discussion in this country.

In 1893 we learned, and in 1914 we should have again learned but for the interposition of the war, that a thing is dear at any price when you have not got the price. When our factories were closed and our citizens were out of work and wages were not being paid, we did not have the price. We did not buy at home and we did not buy abroad. It is under those circumstances that our foreign commerce falls off, and not when everybody is at work.

My friends, the thing to consider in this country is production. Production ought to be full and unhindered and unhampered, free always and everywhere. Every line of activity ought to be employed; we ought to develop our natural resources to the limit; we ought to employ our labor to the full, and we ought to take advantage of the vast capital we have to the extreme limit; there should be production every day and everywhere, rife, active, and unhampered always. It is a great economic fact, from which there can be no escape, that if we take care of the producers in the United States, the consumers will take care of themselves, or, as Daniel Webster said on the floor of the Senate so many years ago, "Where there is work for the hand of man there will always be work for his teeth." That is the fundamental economic doctrine which our friends on the other side have in their haste overlooked.

Now, I come to the Dingley law. I have read the prophecies about the Dingley law, because it was in operation longer than was any other tariff law that was ever passed, because it was the highest tariff law that was ever enacted in the history of the country, because it met with more bitter opposition and because it was denounced to a more unlimited degree than any other tariff law ever enacted.



I will read very quickly the exports under the Dingley law, running from 1898 to 1908. Listen: They were, in the respective years of that period, \$1,231,000,000, \$1,227,000,000, \$1,394,000,000, \$1,487,000,000, \$1,381,000,000, \$1,420,000,000, \$1,460,000,000, \$1,518,000,000, \$1,743,000,000, \$1,880,000,000, \$1,860,000,000, an increase in 10 years of over \$600,000,000 in what we sold out of the country, and the exports increased in practically every year. Why? Because all our factories were at work and we were producing more and we had more to sell. Listen to me, Senators. We sold abroad so much that the Democrats finally began to howl at us—and Senators remember the howl—that we were selling abroad cheaper than at home, and there was some trouble caused in the United States because of the acrimonious discussion that arose over it. So much for exports, which, as I have shown, increased more than \$600,000,000, notwithstanding the dismal prophecies that we were about to destroy the prosperity of the Republic.

What about imports? Listen: From 1898 to 1908 they were, for the respective years, \$616,000,000, \$697,000,000, \$849,000,000, \$823,000,000, \$903,000,000, \$1,025,000,000, \$991,000,000, \$1,117,000,000, \$1,226,000,000, \$1,434,000,000, an increase of \$800,000,000 in what we bought abroad under the highest tariff law in the history of the United States, notwithstanding all the dismal prophecies and the doleful forebodings of prophets of evil on the other side of the Chamber.

The total of exports and imports for the respective years when the Dingley law was in force were: \$1,847,000,000, \$1,924,000,000, \$2,244,000,000, \$2,310,000,000, \$2,285,000,000, \$2,445,000,000, \$2,451,000,000, \$2,636,000,000, \$2,970,000,000, \$3,315,000,000—an increase in what we bought and what we sold under the highest of all our tariff laws of \$1,200,000,000, and that, too, right in the teeth of the dismal prophecies, who yet to-day are indulging in the same prophecies; but they are not seeing correct visions; they have distorted imaginations. These evils which they foretell exist only in the heated and perfervid imaginations of free-trade doctrinaires.

Now, what about the Payne-Aldrich law? The Democrats made the same old prophecies and the same old predictions, but the same inevitable results followed. Why need we sit here and pay attention to such prophecies? Why do we not go on and pass this bill? We know what it will do, and we need not be terrified by the false predictions or the fatuous prophecies of those on the other side of the aisle.

What about the Payne-Aldrich law? The exports in 1909, 1910, 1911, 1912, and 1913 were, respectively, \$1,663,000,000, \$1,744,000,000, \$2,049,000,000, \$2,204,000,000, \$2,465,000,000—an increase of \$800,000,000 in exports, and yet they told us that we were destroying our commerce; that we were dwarfing our trade with the peoples of the world.

What about imports? They were for the respective years \$1,317,000,000, \$1,556,000,000, \$1,527,000,000, \$1,653,000,000, \$1,813,000,000—an increase, my friends, of how much? An increase of \$502,000,000 in what we sold abroad, and a total increase of \$1,300,000,000 in what we sold and what we bought, notwithstanding this high tariff law, notwithstanding the dismal predictions and doleful prophecies of the opponents of the protective tariff system.

What more need I say about that? My friends, the whole argument on the other side up to this time has been based on the destruction of our foreign trade. We are told that we can not buy if we do not sell. Mr. President, when our factories are all operating, when our labor is all employed, when we are paying wages higher than are paid elsewhere on earth, when our mines are running at full force, when everybody is at work drawing American wages, we can buy more than any other nation on earth, and we do buy, regardless of the tariff, and the people of foreign nations come here and buy because ours is the best market on earth in which to buy. At the same time we preserve our own market for our own producers, first of all, as is shown by the fact that before the war 92 per cent of all we made in the country we sold in the country. Our Democratic friends want to give up 92 per cent in order to increase the 8 per cent. I do not. I want to have an American policy, an American tariff to protect our American labor and our American investments, and to employ our own people in profitable enterprises.

That is the logic of it all, and I am backed up by the successes of Republican tariff laws which have been enacted at various times in the history of the country so that no one can prove otherwise.

I ask unanimous consent at this point to insert in the RECORD the tables from which I have quoted as to the exports and imports under the McKinley, the Dingley, and the Payne-Aldrich Acts, respectively.

The VICE PRESIDENT. Without objection, it is so ordered. The tables referred to are as follows:

The official record of our imports and exports under the McKinley law is as follows:

Year ended June 30.	Exports.	Imports.	Total exports and imports.
1891.....	\$884,480,810	\$844,916,196	\$1,729,397,006
1892.....	1,030,278,148	827,402,462	1,857,680,610
1893.....	847,665,194	866,400,922	1,714,066,116
1894.....	892,140,572	654,994,622	1,547,135,194

NOTE.—A sharp decline in imports during the last year of the McKinley law was due to the anticipated reduction of the tariff by the Cleveland administration.

The Dingley law was in effect for 11 years, and the record of our foreign trade is as follows:

Year ending June 30—	Exports.	Imports.	Total exports and imports.
1898.....	\$1,231,482,330	\$616,049,654	\$1,847,531,984
1899.....	1,227,023,302	697,148,489	1,924,171,791
1900.....	1,394,483,082	849,941,184	2,244,424,266
1901.....	1,487,764,991	823,172,165	2,310,937,156
1902.....	1,381,719,401	903,320,948	2,285,040,349
1903.....	1,420,141,679	1,025,719,237	2,445,860,916
1904.....	1,460,827,271	991,087,371	2,451,914,642
1905.....	1,518,561,666	1,117,513,071	2,636,074,737
1906.....	1,743,864,500	1,226,562,446	2,970,426,946
1907.....	1,880,851,078	1,434,421,425	3,315,272,503
1908.....	1,860,773,346	1,194,341,792	3,055,115,138

Statistics of foreign trade under the Payne-Aldrich Tariff Act:

Year ended June 30—	Exports.	Imports.	Total exports and imports.
1909.....	\$1,663,011,104	\$1,311,920,224	\$2,974,931,328
1910.....	1,744,984,720	1,556,947,430	3,301,932,150
1911.....	2,049,320,199	1,527,226,105	3,575,546,304
1912.....	2,204,322,409	1,653,264,934	3,857,587,343
1913.....	2,465,884,149	1,813,008,234	4,278,892,383

Mr. WATSON of Indiana. Mr. President, I have occupied much more of the time of the Senate than I expected. I intended to take up the subject of foreign tariffs; but my good friend, the Senator from Idaho [Mr. GOODING], who is a protectionist after my own heart, has covered it, and I shall not go into it, although I have here an article prepared on that question. I may refer to it later on.

Mr. President, it has repeatedly been stated on the other side since my friend, the Senator from North Carolina [Mr. SIMMONS], made the statement in his opening speech, that the wages of labor in Germany have increased since 1914. I deny that absolutely. I have here a statement of wages for 1913, compiled from the Statistical Yearbook for the German Empire for 1915, page 91. The wages for December, 1921, are compiled from the publication of the General German Trade Union Federation, March 4, 1922. If I had the time I would go into it here, but I shall ask to have it printed without taking the time of the Senate. It shows, however, what a tremendous reduction in wages has occurred in Germany in key industries from 1914 up to the present time. For instance, the wages of bakers, measured in gold, in 1913 were \$6.14 as against \$2.52 in 1921.

Mr. McLEAN. Does the Senator mean per week?

Mr. WATSON of Indiana. Yes; the wages per week—an average of \$6.14 in 1913 to \$2.52 now. Brewery workers—that has a sort of ancient sound—brewery workers, skilled, \$7.73 then as against \$2.43 now; unskilled, \$5.83 then as against \$2.39 now; tailors, \$11.17 then as against \$2.78 now; painters, \$14.38 then as against \$2.58 now; stonecutters, \$17.41 then as against \$2.56 now; stonemasons, \$17.22 then as against \$3 now; bookbinders, \$6.69 then as against \$2.59 now; printers, \$7.71 then as against \$2.74 now; joiners, \$13 then as against \$2.59 now; transport workers, \$6.57 then as against \$2.30 now.

I had another sheet, which I seem to have mislaid, giving the wages paid in cotton factories and woolen factories and other manufacturing establishments, including dye industries. I do not know where it is, although the Senator from Utah [Mr. SMOOT] perhaps has already placed the figures in the RECORD.

The figures quoted by me are absolutely authentic, and there can be no dispute concerning them. I ask unanimous consent that the table be placed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The table referred to is as follows:

Wages in Germany—Rates per week for adult male workers.

Source: The wages for 1913 were compiled from the Statistisches Jahrbuch für das Deutsche Reich (Statistical Yearbook for the German Empire, 1915), page 91. The wages for December, 1921, are compiled from the Korrespondenzblatt des Allgemeinen Deutschen Gewerkschaftsbundes (the publication of the General German Trade Union Federation, March 4, 1922) pages 4-18, inclusive.

Mark converted to dollars in 1913, at \$0.2383.

Mark converted to dollars in December, 1921, at \$0.005223, the average buying rate for the month of December, 1921, for New York cable transfers as reported by the Federal Reserve Board.

City.	Bakers.		Brewery workers.				Tailors.		Painters.		Stone-cutters.		Stone-masons.		Book-binders.		Printers.		Joiners.		Transport workers.	
			Skilled.		Unskilled.																	
	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.
Berlin.....	\$6.19	\$2.66	\$7.15	\$2.51	\$6.19	\$2.48	\$13.10	\$3.13	\$17.15	\$2.64	\$19.06	\$2.38	\$20.25	\$3.13	\$7.50	\$2.78	\$8.19	\$2.89	\$14.77	\$2.88	\$6.91	\$2.74
Königsberg.....	1.88	2.27	2.27	2.18	10.72	2.51	12.62	2.51	16.20	.....	15.72	2.59	7.37	2.65	8.34	.....	5.00	1.47				
Kiel.....	5.95	2.80	7.98	2.72	6.31	2.68	10.72	2.63	15.48	2.69	17.39	2.57	17.39	2.42	7.86	2.72	15.24	2.68	8.05	2.51		
Osnabrück.....	2.51	6.91	1.78	5.95	1.75	.....	2.51	12.39	2.33	13.10	2.46	15.48	2.32	7.04	2.52	12.15	2.66	.....	2.25			
Düsseldorf.....	7.38	3.39	7.50	3.16	6.07	3.11	11.67	3.51	14.29	2.93	17.63	2.51	.....	3.38	5.36	2.97	7.70	3.08	14.29	3.17		
München.....	6.19	2.17	8.10	2.34	5.72	2.29	10.00	2.63	13.34	2.32	15.96	.....	.....	2.91	5.95	2.59	7.86	2.68	13.82	2.14		
Leipzig.....	5.72	2.35	8.34	2.35	6.19	2.32	9.53	2.63	.....	2.54	19.06	2.34	.....	3.80	7.20	2.59	7.86	2.68	13.82	2.64		
Stuttgart.....	.....	.....	7.91	2.30	6.53	2.25	10.00	2.63	13.82	2.51	15.48	.....	.....	2.86	6.88	2.59	7.70	2.68	11.91	2.15		
Manheim.....	5.72	2.09	8.10	2.53	4.76	2.51	11.91	2.88	13.58	2.77	15.24	.....	.....	3.21	6.91	2.59	7.70	2.79	12.86	2.31		
Rostock.....	5.48	2.01	6.43	1.61	5.12	1.58	11.43	2.41	13.10	2.32	13.34	.....	.....	16.67	2.26	5.84	2.42	7.37	2.58	10.24	2.16	
Bremen.....	5.95	2.67	8.10	.....	6.07	.....	10.72	2.76	15.01	2.66	22.63	3.18	15.96	3.21	6.79	2.59	7.70	2.74	14.29	2.75		
Hamburg.....	6.67	3.13	8.57	3.13	5.24	3.11	13.10	3.13	17.39	2.76	23.82	2.47	19.06	3.37	7.74	2.59	8.19	2.85	15.48	2.93		
Average.....	6.14	2.52	7.73	2.43	5.83	2.39	11.17	2.78	14.38	2.58	17.41	2.56	17.22	3.00	6.69	2.59	7.71	2.74	13.00	2.59		

Mr. WATSON of Indiana. Mr. President, our Democratic friends and the importers, who are organized and militant as never before in this country, are not the only ones who are inveighing against our tariff system. Foreigners are coming here and telling us how to run our country and how to conduct our Government and what laws we ought to pass, and are interfering, I think, unjustly in our domestic affairs.

Mr. BORAH. They are not confining themselves to the tariff.

Mr. WATSON of Indiana. That is quite true, but the tariff is the question now before us, I will say to my friend. I will call the attention of the Senator from Idaho to the singular fact that those who tried to get us into the League of Nations are the ones who are now trying to defeat this bill—free trade and internationalism combine in opposition to it.

Mr. WATSON of Georgia. Mr. President, what does the Senator think of a member of the British Parliament coming over here and telling us what our foreign policy should be?

Mr. WATSON of Indiana. I am going to refer to that later. I think my friend from Georgia is getting religion, perhaps, and if he shall continue to sit on this side we may inoculate him so that he will see the light. It will take considerable inoculation, but we have the material over here. I desire now to quote from the New York Times of May 11, 1922, a very great newspaper and splendidly edited, and about as fair as a newspaper can be, situated as it is and breathing the atmosphere its editors always breathe—

The anxiety which European nations feel over the possibilities of a prohibitive American tariff was expressed yesterday by the French and British consuls at this port at a luncheon given by the New York Board of Trade and Transportation to the representatives of 37 Governments. The two consuls said in speeches that by preventing importations we would injure our own export trade.

They talked like Democrats, did they not?

"It is as much in your interest as in ours that your Government deal fairly with this matter," said Gaston Liebert, consul general for France. "We all hope that the tariff you adopt will not be an insurmountable barrier to imports, and thus, also, to exports."

"All the European countries are in urgent need of recreating riches, and the only way they can recreate riches is to export to America, which has all the gold, all the riches in the world."

Right at the time these people were paying us this lofty tribute the Senators over on the other side were telling us that we were going into the jaws of destruction and despair.

What has France done, by the way, and why? France was confronted with the problem of reestablishing her industries and compensating the loss in customs revenues due to the depreciation of French currency, and she attempted to secure these objects by a general increase of pre-war customs duties by the use of a system of coefficients, which I shall not go into. Some of the pre-war rates were doubled, and others were increased from five to ten times; so that while France has been increasing her tariff rates and increasing the number of articles upon which those duties are imposed, her consuls over here are telling us that we must not pass this bill, and that we must not put on

these high rates, because, if we do, France will not be able to sell to us.

I will go on:

Lewis E. Bernays, who represented Great Britain in the absence of Consul General Armstrong, said: "Trade to be successful must be interfered with as little as possible."

And right in the teeth of that statement, what did Great Britain do? In the first place, she put an embargo on dyes going into her country, and France put an embargo on dyes, and Italy, to whose ambassador I shall refer in a moment, put an embargo on dyes; and, Senators, what else did Great Britain do? I will break off for a moment and go back.

The most notable instance of increase was the safeguarding of industries act passed by the British Parliament, and which went into effect October 1, 1921. This act imposed customs duties. Listen:

With a view to the safeguarding of certain special industries and the safeguarding of employment in industries in the United Kingdom against the effects of the depreciation of foreign currencies and the disposal of imported goods at prices below the cost of production.

The duty imposed is 33½ per cent, and over 6,000 articles were affected by its provisions; and yet, in the teeth of that act, the representative of that Government comes here to say that we must not pass a high tariff act, for if we do they can not sell to us, and the only way we can have trade with other people is to have it "interfered with just as little as possible."

Why, my fellow citizens, that is a pro-British declaration, and our friends on the other side make these pro-British and pro-English declarations, for free trade is an international proposition. It goes along with internationalism. It goes hand in hand with the League of Nations and all efforts to tear down American nationality and involve us in the broils and the quarrels, indeed, in the industrial disturbances, of the Old World. It is all of one cloth and all of one piece:

Trade to be successful must be interfered with as little as possible. It is not government aid or support, but the initiative of the individual and his knowledge of his own business, that spells success. In my opinion, prosperity can not return to this world until the artificial barriers to pre-war trade be removed.

Why, that doctrine is as old as Cobden. It has been preached by every British free trader for a long number of years, since they abandoned their protective tariff system; and, my fellow citizens, always there has been British propaganda back of free trade in the United States, just as it is now back of free trade in the United States.

Mr. STANLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. WATSON of Indiana. Yes.

Mr. STANLEY. The Senator says this doctrine has been preached by free traders. The Senator is a great scholar. Will he give me the name of any great political economist, speaking the English language on either side of the ocean, who ever controverted that doctrine or ever questioned its wisdom?



Mr. WATSON of Indiana. Why, certainly. British statesmen right along have done it. The Senator from Kentucky on this floor, in answer to my questions within the last 30 days, did not quite do it, but he edged up to it so close that I could not see between him and the edge. What did he say? I said to him: "Does the Senator, then, believe in free trade?" "Well," he said, "I would not say just exactly that." Go get your language and look at it. It was in answer to what the Senator said about the hemp industry in Kentucky, in which the Senator specifically stated that free trade in hemp had devastated the hemp fields of Kentucky. He said it, and I had him repeat it. That is a tribute to his policy. That is just what it always does, but I did not think the Senator would say it. He said free trade had devastated the hemp fields of Kentucky; and then I asked him whether or not he believed in going abroad to buy wherever we could buy the cheapest. He would not quite say that; and then my friend from California [Mr. SHORTRIDGE] pressed the Senator, and I will tell you that these speeches I have read here show that the Democratic Party always has stood for free trade, but you have not the courage of your convictions. If you had, you would propose a tariff on tea, and you would propose a tariff on coffee, and you would propose a tariff on spices, and you would propose a tariff on rubber, and on all those things the like of which we do not produce in the United States; for a tariff of that kind is a tax which is added to the price which the consumer pays, and which goes inevitably into the Treasury. That is your doctrine, and you believe in it, but you have not the courage to put it into practice, or even to attempt it, and so you say you are in favor of a tariff for revenue with incidental protection—incidental "robbery"; incidental "infamy."

Mr. STANLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana further yield to the Senator from Kentucky?

Mr. WATSON of Indiana. I do.

Mr. STANLEY. If the Senator will again yield, I am not concerned about the bald statement of the Senator from Indiana that I have not the courage of my convictions, because the Senator from Indiana knows better, just as every Senator on this floor who knows anything about my attitude on public questions knows better.

Mr. WATSON of Indiana. Is my friend going to ask me a question, or to make a speech?

Mr. STANLEY. I am going to answer a statement of the Senator's now.

Mr. WATSON of Indiana. Oh, no; I am not going to have that done. If the Senator wants to ask me a question, of course I will yield to him, always.

Mr. STANLEY. I thank the Senator. I do not mean to interrupt his speech, but I was a little surprised at that sort of statement from my genial colleague. I have never hesitated to state where I stood, even upon questions where I knew a majority of my own people were hostile.

I wish to say that the Senator from Indiana has not answered my question. I asked the Senator from Indiana if he knew of any great political economist in Europe or America who had ever controverted the truth of the general principle he had just read. He honored me by saying that I did not stand for those doctrines. It does not matter what gentlemen of the size of the Senator from Indiana or myself think about such matters as that. He has a political organization behind him that wants to get fat out of these industries. I may have a political organization behind me whose opinions I may more or less reflect; but no great scholar who has ever studied the question of international relations, from Adam Smith until now, has ever stood for the patent and palpable heresies that the Senator from Indiana so eloquently espouses, and I defy him to name anyone who has.

Mr. WATSON of Indiana. Does the Senator from Kentucky ask me whether or not any man has ever said he believed in straight protection?

Mr. STANLEY. I asked the Senator to name one great political economist of international note, either in Europe or in America, who had ever advocated the principle of high protection as a correct policy.

Mr. WATSON of Indiana. Why, heavens and earth, where has my friend been all these years!—Rip Van Winkle-like, asleep? The first act that we ever passed in the history of the United States was a protective tariff act. It was passed and signed by George Washington and all the mighty men who had formulated the Constitution, and who bullded broad and deep the enduring foundations of the Republic. There was no division of sentiment or opinion among them. From that time down, that was the view of nearly everyone except John C. Calhoun and those who immediately followed him. I do not speak

offensively. He was an absolute free trader; and yet John C. Calhoun, in 1824 and again in 1828, stood in the Senate of the United States and, without division of party or sentiment, along with Henry Clay, and along with Andrew Jackson, and along with Daniel Webster, and along with many of those great men, without division of party, voted for the tariffs of 1824 and 1828. What were these men if they were not protectionists? What was Abraham Lincoln? What was Henry Clay, from the Senator's own State, who denominated this to be the American system—and that is what it is—as against the English system? One system has been contending against the other from that day to this. What was James G. Blaine? What was William McKinley? What have been all these great lights among the statesmen of our country and of history, save and except pure, unadulterated, unequivocal protectionists? And we have formulated our bills accordingly. You people got your doctrine from Richard Cobden, and you have been following along that line ever since. It is an economic school in which I do not believe, and with which, as an American, I have no patience.

Mr. STANLEY. Mr. President—

Mr. WATSON of Indiana. Let me go on. I do not want the Senator to make a speech in my time.

Mr. STANLEY. I do not want to make a speech.

Mr. WATSON of Indiana. Yes; the Senator does. My friend always wants to make a speech.

Mr. STANLEY. But the Senator has asked me a question, and I should like an opportunity to answer it.

Mr. WATSON of Indiana. No; I did not ask the Senator a question.

Mr. STANLEY. Yes; the Senator asked me about Henry Clay and all the rest of them. I will tell the Senator; it is short. Neither Henry Clay nor Daniel Webster nor Blaine nor McKinley nor any Republican, alive or dead, nor any Whig or any other man who lived for an hour and deserves to be remembered 15 minutes after his funeral obsequies, ever did defend or ever did excuse the abominations of this tariff; and the Senator knows it, and he will not give me time to tell him so.

Mr. WATSON of Indiana. Mr. President, does not that have a natural sound, after all I have been reading here? It is the same old language, from my gifted friend from Kentucky; but oh, when it comes to decrying the abominations of this tariff and the freezing terror of this law, he will put John C. Calhoun and all those other brethren off the map, telling about the awful things which, in the providence of a gracious God, will never happen here or anywhere else on earth.

Mr. WATSON of Georgia. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Georgia?

Mr. WATSON of Indiana. I have to yield to a member of the family.

Mr. WATSON of Georgia. How does my genial relative, who so well represents the great State of Indiana, account for the fact that the human race got along without a protective tariff system until the time of Louis XIV?

Mr. WATSON of Indiana. That is very easily answered. We did not get along without it immediately after the Revolution. The American Colonies were all divided up, each with its own tariff law, all subject to English commerce and English exploitation, as the Senator knows. What happened? One of the very objects of the fighting of that war was that we might protect ourselves commercially from those who would prey upon us from abroad, and in order to carry it out the very first act passed was a protective tariff act and it was expressly stated it was a protective tariff. Yet we did not have a protective tariff act in the present-day acceptation of the term until 1824, and again in 1828. Up to 1860 we never had a real, genuine protective tariff, as we now understand that term, and in all those years we had accumulated but \$16,000,000,000 of wealth. After 1860, when we began to develop our resources, when we began to diversify our industries, when we began to employ our labor, when we began to invest our capital, and when we began to have an American scale of wages, an American system of living, and an American conception of the regal dignity of every man under the flag, then we began that imperial march which has landed us the industrial and commercial primacy of the world. Does the Senator deny the irresistible logic of that?

That is what we did under the protective tariff system. Nobody disputes it except the doctrinaire who still insists that we ought to go somewhere else to buy because we can buy there cheaper than we do at home. If we permit a product to be brought in from some other country and sold at a price cheaper than that at which we can buy it here, we put out of business the fellow who is making it here; and whenever we do that we close factories, we stop home industry, and we para-

lyze labor. That has been the result every time the Democratic Party has had an opportunity to put its theory into practice, and we do not intend to give them another chance.

Now, I want to go on with these foreign representatives of the Democratic idea.

Mr. STANLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. WATSON of Indiana. No; I do not want to yield.

Mr. STANLEY. If my good friend will yield for a statement—

Mr. WATSON of Indiana. Will not the Senator wait a little and let me finish this particular line, because I do not want to break into it?

Mr. STANLEY. I will not interrupt the Senator again. I simply want to correct a statement of the Senator, so that in proceeding he can answer. The Senator misapprehended, I am sure he will find if he will examine the record, my statement with reference to the hemp industry of Kentucky. I said the people of Kentucky would see their fields devastated before they would desert the principles of democracy. No field of Kentucky was ever devastated on account of the people's devotion to democracy, or was ever enriched on account of their devotion to the principles of protection.

Mr. WATSON of Indiana. Now, I want to go on with the discussion of the foreign representatives of the Democratic idea. In thus speaking I do so with entire respect for the accredited representatives of foreign Governments to this country. They are entitled to their opinions, and within certain limits should have the privilege of expressing them, but I for one insist that these gentlemen who come here to represent foreign nations should not undertake to dictate to us what our policy shall be. I remember very well that only a short time ago a gentleman got himself into a little trouble by coming here and advocating the election of the Democratic ticket, and it was very much like unto the existing situation, and is therefore worthy of recollection and repetition.

The letter I am about to read, written from Beverly, Mass., September 13, 1888, followed by an explanation in the New York Times, may be illuminating and throw some light on the existing situation and on the rights of foreigners who are representing their Governments among us. The letter reads:

I am in receipt of your letter of the 4th instant, and beg to say that I fully appreciate the difficulty in which you find yourself in casting your vote.

This was in the midst of the election of 1888, in which Harrison and Cleveland were running against each other. I call the attention of my Democratic friends to this significant statement, for it is as true now as it was then:

You are probably aware that any political party which openly favored the mother country at the present moment would lose popularity, and that the party in power is fully aware of this fact. The party, however, is, I believe, still desirous of maintaining friendly relations with Great Britain.

There never was a shadow of a doubt about that on earth; not only then but now they have been anxious to maintain friendly relations with Great Britain. I read further:

The party, however, is, I believe, still desirous of maintaining friendly relations with Great Britain, and is still as desirous in settling all questions with Canada, which have been unfortunately reopened since the retraction of the treaty by the Republican majority in the Senate and by the President's message, to which you allude. All allowances must, therefore, be made for the political situation as regards the presidential election thus created. It is, however, impossible to predict the course which President Cleveland may pursue in the matter of retaliation should he be elected, but there is every reason to believe that, while upholding the position he has taken, he will manifest a spirit of conciliation in dealing with the question involved in his message. I inclose an article from the New York Times of August 22 and remain,

Yours faithfully,

L. S. SACKVILLE WEST.

Then follows this item from the New York Times, then, as now, advocating this pro-British doctrine in America:

There is this further consideration in favor of supporting the administration on this issue. It will leave the question still open for friendly means of settlement of some kind, while a support of the Senate's position would close all avenues of future negotiations and bring upon the country the disastrous consequences of retaliation, hostility, and possible war. It would put an end to all prospect of improving the commercial relations of the United States and Canada. This is one of the questions which the people will keep in mind in casting their votes next November.

What happened to Sackville West? He was immediately recalled by the direct action of Grover Cleveland, the President of the United States. But times have changed. The spirit of internationalism is abroad in the land. The League of Nations has been discussed. Tremendous efforts have been made to drag us into all the entanglements and all the broils of Europe, and if it can not be done politically in one way, there are thousands of people in the United States, including certain papers in New York, which intend to do it in another way, and if they

can not get us immediately, as a national unit, into all their political entanglements and involvements, they intend to have free trade, as nearly as possible, and to send their representatives over here to inculcate that doctrine among our people and among our citizens. These men have the right to express themselves in their own countries, but I deny the right of the representative of any foreign government, accredited to represent his people here, to come within the confines of the United States and instruct us as to what course we shall pursue with reference to the policies of our Government.

Let me go on. This is a special to the Washington Post:

The Italian ambassador, Vittorio Rolandi Ricci, asked to explain the attitude of discrimination against American goods embodied in the tariff legislation of his Government which has been in effect since August, and which proposed legislation threatens to make still more discriminatory, said:

"In accordance with the policy long since adopted by several of the principal countries of the world, including the United States, the Italian Government was obliged to increase the schedule of import duties upon many items.

"The increase in customs duties generally was not very high. Nevertheless, if the campaign of the American agriculturists (the farm bloc) carried on for a high protective tariff on the few olives and lemons which they supply for home consumption is forwarded, and as a result the tariff raised, the Italian Government will be obliged to augment further the duty on American agricultural products imported by Italy.

"It is obvious that if you will prevent us from selling you those products which are natural to our country, we shall not be able to purchase, besides, if we had these means at our disposal we would logically rather spend them in another country which would not bar the opportunity of selling our products."

In other words, that is a threat that if we put up the tariff and do not buy of them they will cease to buy of us. They buy of us now because they have to buy of us, and we will continue to sell to them just as they need our products and just as we have been selling. As I have explained here in language unmistakable, and in figures irrefutable, there is no alteration of the currents of trade by the imposition of a tariff duty. All the figures show it, and there is no one to stand and challenge it in the light of the history of the past.

When our Italian friends came here in unnumbered hundreds of thousands from Italy, why did they come? They came in part to stand under the protecting shadow of the American flag and to be benefited by the freedom which it guarantees. But in part they came to enjoy the prosperity of the United States. They came to share in the good things we have so abundantly bestowed upon us in this Republic, and they were all welcomed. The gates of Castle Garden always swing inward; they never swing outward; and they swing inward because of the prosperity of the American people, prosperity made possible by continued protective tariff enactments, and these people are here to enjoy the blessings and the benefits which always come from such a beneficent policy.

We welcome them here, and I know that no Italian in the United States can best secure his job or best increase his wages by having more imports from his country to compete with what he produces in the United States, nor can any other man laboring in this country under our flag best increase his opportunity or enhance his wages by bringing a larger flood of imports from abroad, thereby depriving him of the right to earn his bread in the sweat of his honest face.

We have no objection to these people expressing their honest views, but we have objection to them trying to dictate the policies of the United States, so long as they are accredited here as the representatives of their nation. Suppose Colonel Harvey should get up in London and tell them they had to pass a tariff bill, or tell them they had to do something, or we would not do business with them. He would not last long over there, would he? They would send him home, and they ought to do it. It is not his business to go over there and dictate the policy of any European government. It is not theirs to come here and dictate ours. This is an American policy, this is an American Government, and it is to be dictated to only by the sovereign voice of the American people.

I have other quotations from the speeches of the ambassador, but I shall not read them. He further inveighed against our policy of immigration, but I shall not take the time to read what he said about that. He also attacked the policy of prohibition. Whatever anyone may think about it, it is our policy; we made it; we are responsible for it. While it is the law we ought to enforce it. If we do not like the law, let us repeal it or modify it. So we would do if the great majority of the American people thus believed, but I do not think they yet do believe that way, and I hope they never will, speaking for myself.

Sir Auckland Geddes, the very able and distinguished ambassador from England, made a speech in March in which he said:

CHICAGO, March 12.—With America holding two-thirds of the supply of gold in the world, American business can no longer look for cash payments for exports to England, according to Sir Auckland Geddes, British ambassador to the United States.



This is from an Associated Press report published in the morning papers of March 13, 1922:

America must find a means whereby cash payments would not be required or she will face complete loss of her English export trade, now "dwindling because there is no money in England," Sir Auckland says.

Reciprocal trading between England and the United States was one solution of credit men here Saturday. Sir Auckland also suggested that American business use British service, such as insurance and the use of English ships, as a means of solving the problem of diminishing exports, which he attributed almost wholly to the lack of cash in England.

We must not have an American merchant marine, must not have a merchant marine on this side. Who said so? The British ambassador. We must use British ships, we must employ the British merchant marine to do our carrying. This mighty Nation, situated as it is between the two imperial seas of the world, ought to have the carrying trade of the earth and bear American commerce in American ships, built by American laboring men, investing American capital, and flying always the American flag. Is not that the right policy for the United States? Oh, but our friend from abroad says no; we must use British ships; we must not have an American merchant marine, or they will not trade with us.

"The question for America to decide," Geddes said, "is whether she wants to open the country for trade or throw up a barrier."

Now, Mr. President, he is a very great man, a very capable representative of a mighty people, and yet I think is going entirely outside the bounds of propriety in attempting to dictate the policy of this mightiest of nations in the recorded history of time.

I might go on and show the articles that have been written by Nevins, Gibbs, Gardiner, Repington, and many other British publicists and writers, writing articles for newspapers and magazines every day in the United States, exploiting this British doctrine and inveighing in caustic terms and unmitigated fashion against the protective-tariff doctrine. There you have it. It is the American doctrine as against the British. It is our idea as to what we shall do with our own Government as against the interference of all other Governments. I desire as one Senator to resent interference from abroad in our domestic affairs.

They get happy over there when the Democrats are in power. We all remember the letter written by Ambassador Page to Woodrow Wilson when they passed the Underwood-Simmons law, the lowest tariff law by odds in the history of the Nation, with but 6½ per cent on the average on imports. What would happen to us now or in the future when those countries are resuscitated and rehabilitated and get on their feet commercially and industrially if we had a 6½ per cent tariff? I shall not stop to describe, because we are not going to have it.

The Senate is determined on it, this Congress is determined on it, and our President is determined on it. The American people have so decided, and we intend to listen to that voice and to pass this tariff bill.

Ambassador Page said:

I can assure you emphatically that the tariff act does command their respect and is already having an amazing influence on their opinion of our Government.

He wrote that to Woodrow Wilson, President of the United States. He was our ambassador to England. He said that it was having an amazing influence on their opinion of our Government. Well, it had an amazing influence on our opinion of our own Government—not the Government, but the acts that were passed and the destruction it brought, because everybody knows that by 1914, when the war intervened, we were headed directly for catastrophe, just like all previous low tariff laws had produced in the United States. There is no question about it in the world that the interposition of the World War saved us from that disaster. What else did Mr. Page say?

Lord Mersey, a distinguished law lord and a fine old fellow, of the very best type of Englishman, said to me last Sunday: "I wish to thank you for stopping halfway in reducing your tariff; that will only half ruin us."

We have not any desire to ruin them. That is not our object. But old St. Paul said, "He that careth not for his own household is worse than an infidel," and we do not intend to rest under that charge. We are going to look after our own people and care for our own household, and no one need be alarmed about dwarfing our influence or diminishing the estimate in which we are held by the people of the world.

Mr. President, we have gone through trials and tribulations to the present time. We went through a war which saved us from the disastrous effects of the Democratic tariff. We have come safely through it and new conditions now confront us. These new conditions are exaggerated beyond anything that ever existed before the war. Wages abroad are lower than ever before and wages here are higher than ever before.

So far as the great markets of the United States are concerned, the cities of Germany are closer to them than our own western cities. They are practically side by side. How can our Democratic friends expect to employ our laboring people in our factories and pay the wages we are now paying when precisely the things we are making in our factories come in from all their factories in competition with what we produce, made by men who get one-tenth to one-fifth what we pay our men? It is an utter impossibility.

It is just like having a factory in Ohio and one in Indiana, running side by side, making the same thing, and paying five times the wages in one that were paid in the other. It could not be done. It is utterly impossible, and nobody but our Democratic friends, skilled in argumentation along theoretical lines, would expect such an impossible thing to occur.

So, my friends, notwithstanding the many difficulties that surround us and the obstacles that have beset us, we propose to pass this bill. Like Grant said, we intend to fight it out on this line if it takes all summer—not only all summer, but until the snow flies. The Democrats will not endeavor to prevent its passage until after election. Oh, no; they would then be playing into our hands. They want to pass it just before election. They want to do with this bill just like they did with the McKinley law, and we do not intend that they shall do it if we can help it, and if we can not help it we intend to stay here and fight along this protective tariff line to the very last, because we believe it to be absolutely essential to the prosperity of our country and to the greatness of our land.

Mr. SIMMONS. Mr. President, it is always delightful to listen to our genial, talented, and truly eloquent friend from Indiana [Mr. WATSON]. I know of no man who possesses greater gifts of speech than the Senator from Indiana, and when he has taken time for preparation he is, of course, entertaining.

It is not my purpose to undertake now a general answer to the speech which the Senator has made. To speak the truth, there was so little of the speech that related to the bill, or had any pertinence to the questions we have been discussing here now for five or six weeks, that it does not really require any answer unless it were desirable to enter into an academic discussion of the differences between Democratic theory of the tariff and the Republican theory of the tariff. Most of the Senator's speech might be characterized as graveyard matter. It is something like the discussions that have taken place upon the hustings during the past half century with reference to the merits of the protective tariff system as compared with the low tariff principles advocated by the Democratic Party.

Practically no attention was paid by the Senator to the real issue raised by the bill, and which has been raised in the discussions which have taken place in the Chamber up to this time. I should say, making a rough calculation, that not 10 per cent of the time which the Senator consumed here this morning had anything to do with the bill, or with the real issue that grows out of the bill, or with the contentions that are being made here from time to time by the representatives of the two sides of the controversy.

The Senator did, however, in the beginning of his speech undertake to defend the committee for the time it has consumed in bringing before the Senate this pressing question—pressing from their standpoint—and the time that has been consumed by them since in its defense.

In the first place he tries to justify the committees of the two Houses for delaying a measure which the Republicans promised in their platform should be immediately passed if the Republican Party should be given control of all branches of the Government. He has one excuse after another for these delays. "Other matters had to be considered," he said, "besides the tariff, and therefore we were longer in preparing our tariff measure than usual." Well, always in making tariff measures in committee other things are being discussed in the Senate and in the House, but the fact that other bills have to be enacted into law contemporaneously with this is no excuse for the delay.

There was a distinct promise to the people of the country on the part of the now dominant party that the tariff should be passed speedily upon its coming into power, and it was estimated that it would only require a month or two to enact it into law. Instead of that we find that 18 months and more have elapsed since the Republican Party came into power in all branches of the Government and the tariff bill has not yet been passed. It has been argued that since it came in here we have been responsible for the delays. But who is responsible for the delay of a year and a half before it got here? What was the trouble with the Republican Party that it could not carry out its promise to speedily bring in the tariff bill?

It was because the Republican Party was not in harmony upon this question. It was because one element of the Republican Party was seeking to frame a tariff especially in the interest of 4,000 members of the big industries of the country and another part of the Republican Party was demanding a tariff in the interest of the people. There was no progress made, Mr. President, until the two wings of the Republican Party got together upon a logrolling proposition and united in an agreement to divide the spoils of protection. This bill would have been in committee yet, in all probability, but for that. That is the secret of the delay, and this mongrel and unnatural measure is the kind of bill that has emerged as the result of the "harmony" that was at last restored in the Republican ranks.

The Republicans finally brought out a bill that imposes taxes amounting in the aggregate, when the increase of prices resulting from these taxes is taken into consideration, to three billion or four billion dollars, or practically as much as we collect from the people through the internal taxes which we impose. They have brought us out a bill, I say, to impose those taxes upon the many millions of the people of the United States, embracing the laboring man, the farmers, the clerks, and the salaried men, whose returns upon their investments are not 2 per cent a year. Certainly it is true with reference to the farmers that the net income upon their investment is not 2 per cent a year, and 50,000,000 of farmers will have to pay one-half of this \$4,000,000,000 of additional taxes. To whom? The pitiable sum of \$300,000,000 to the Government and the balance to about 4,000 manufacturers and profiteers in the country, who are making incomes ranging from 10, 20, 30, 40, 50, to 100 per cent upon their investments.

I say the bill never could have been brought out if a trade had not been consummated by which it was sought—and I am afraid it was accomplished—to purchase the support of the element which stands usually for the 50 per cent who have to pay half of these taxes and who make only 2 per cent on their investment. The bill was brought about by promising that there would be given to a few of the farmers of this country certain benefits upon the particular products which they produced as a compensation and a consideration for their representatives yielding their position and agreeing to support a measure framed in the special interest of 4,000 people who are making exorbitant profits as against the millions who are making practically no profits. That is the reason why in the committee there was such great delay in the consideration of the bill.

I am not speaking now of the delay that took place while the bill was in its formative stage in the other House or while it was going through the process of hearings before the Senate committee, with a view to its revision and rewriting; I am not speaking about that; that necessarily occupied a good deal of time. I am speaking about the time that was taken in the Senate Finance Committee room considering the measure and framing the 2,000 amendments which we are now discussing, and which I shall show before I get through are just as far removed from the principle of protection about which the Senator from Indiana [Mr. Watson] has been talking so much as is the earth from Mars. There is involved in this bill no principle of protection, as that principle has heretofore been understood by any man or party in the discussion of the question.

It took the Republicans how many months, Mr. President, to report the bill? It took them three months to make these 2,000 changes. Let me say in passing that no other tariff bill with which I have had anything to do—and I have had to do with all that have been passed here during the past quarter of a century—has had more than 400 or 500 amendments put on it. This one has had over 2,000 amendments attached to it; and it took the committee approximately three months to draft them. Why? The Senator from Indiana said it was because conditions here and abroad, throughout the world, were so upset and upturned and chaotic and disorganized that the committee had to go back to the fundamentals; that they had to take up and consider all sorts of questions in connection with the framing of these amendments.

Mr. President, the very debates which we have had here show that that was not the cause. The rates in the pending bill were not fixed upon any rule; they were not framed upon any measurement of the amount of protection to which the industries were entitled. Nobody can successfully contend that they were. They were made by a sort of a haphazard, a guess, the committee generally guessing that what the seeker for protection desired was the correct rate to which he was entitled.

The Senator from Indiana says that his side of the Chamber did not discuss these questions. Mr. President, when they did undertake to discuss them, after they were forced to do so, they

clearly showed that they had never analyzed the basis which should support any rate of tariff taxation, and they showed an utter lack of knowledge, an utter want, I will say, of information as to questions which have heretofore been considered absolutely essential to the framing of a tariff law. So they were not really engaged there in the work of finding out the facts which should be obtained in order to levy rates upon the protective principle at all, but their discussions here and the debate as it has been developed show that they had no knowledge of and were not in possession of any information as to these matters.

What were they doing, Mr. President, in those secret sessions for three months, with the corridors outside swarming with the seekers of favors from the Government, with these supplicants for subsidies and bulldozers of bounties from the Government, with these pleaders for privilege in taxing the masses of the people of the country for their own special benefit and profit? They sat there conferring with one of these representatives and then with another, getting their views and hearing their demands as to what they wanted.

It took them frequently a long time to reconcile the views of the members of the committee with the views of these seekers of bounties from the Government, and they never would, as I have heretofore stated, have been able to bring about a reconciliation except for the logrolling scheme to which they finally resorted in order to enable these seekers for special privilege to get all that they asked; and all that they asked is so far above what they are entitled to upon any principle of protection that I say the duties imposed by this bill bear no resemblance to the principle of protection and are as far removed from the principle of protection as is the earth from Mars.

What is the use, therefore, of the Senator from Indiana consuming two hours of time—precious time from his viewpoint, because from his viewpoint it is extremely desirable that this proposed legislation shall be enacted speedily and shall be put upon the statute book so that it may demonstrate its virtues (?) before election day—when nine-tenths of his two and a half hours' speech this morning was consumed in discussing things that have absolutely no pertinence to the question which is under consideration?

Mr. President, with the exception of a few hidebound Republican Party organs, organization newspapers, newspapers partisan under all circumstances and all conditions, there comes from outside of this Chamber, from every impartial source throughout the country, including the disinterested manufacturer—for there are a great many of them who do not participate in this drive against the pocketbooks of the American people—from the press throughout the country, without reference to whether it is Republican or Democratic or independent or nonpartisan or religious or agricultural, trade or commercial, not a voice of protest against the discussion of the pending bill. With the exception of the little clique of partisan newspapers there comes not a single charge that the discussion on the part of the Democrats is filibustering, but, on the contrary, there comes a chorus from every part of the country and from all sources of public information in this country highly commending this discussion, saying it is enlightening to the people, that it is doing good, and if the bill is to pass without further amendment—material, radical amendment—of the taxes it imposes, the discussion ought to continue until the bill shall be defeated, even if it takes a year or two years to accomplish that great end.

I am not speaking loosely; I am measuring my words. I ask the Senator from Indiana to point me to any complaint against the discussions that are taking place here upon this floor upon this bill, outside, as I say, of the small clique of bitterly partisan journals. I ask him to go to the files of the metropolitan press, to start with the great Republican organs—papers that have heretofore stood shoulder to shoulder with the Republican Party in all of its efforts to establish the protective system in this country—go to them first, then go to the independent press of this country, the great metropolitan independent papers, the small journals of the cities of ten to fifty thousand people scattered throughout the country; let him take the dailies of his own party, the independent dailies, and the dailies of the Democratic Party, and I ask him after he shall have done that to come here and file a list of the great papers in this country, exponents of public opinion that are entitled to respect and that have the confidence and respect of their readers, and point out those who are criticizing and who have criticized this debate.

Mr. President, has it been solely in the interest of party politics, as they claim? What has been the fruit of this discussion? I would better ask that question of the Senator from North Dakota [Mr. McCUMBER], who has charge of the bill,



than of anybody else, I reckon. I should like to have him get up here and state to the Senate how many of these rates, in these daily morning executive sessions that the committee holds from 10 o'clock until 11 o'clock, he has reduced from 10 to 25 or 30 or even, as to some of them, as much as 50 per cent because of the disclosures and the discussions that have been taking place upon this floor, and let him tell the Senate how many of the amendments to the schedules that we have already discussed he has taken back to the committee, and with reference to which it is now considering radical reductions in the rates because the discussions have shown that the taxes he proposed would be oppressive and unjust to the people of the United States.

Mr. POMERENE. Mr. President, the Senator has made a very valuable suggestion, and I wondered if he had a memorandum of the number.

Mr. SIMMONS. I have not made it. I thought the Senator from North Dakota could better make it.

Mr. President, only last Saturday about 12 paragraphs of the metal schedule were passed over, after we had been discussing items, both before and after that, in the same general classification and category. There were 12 items, I think, that were to be looked after by a Senator who happened to be sick the day they were passed over. When on Saturday I suggested to the Senator from North Dakota that we should take them up, as they were then in order, and should dispose of them, he advised me that the committee intended to bring in amendments, material amendments, to every one of those paragraphs that had been passed over.

Mr. JONES of New Mexico. Mr. President—

Mr. SIMMONS. Will the Senator just let me finish this? Not only that, Mr. President, but day after day Republican Senators on the other side are giving the committee to understand that in the light of these discussions that have brought out the iniquity of these rates the committee can not rely upon them for their support unless the committee do reduce these rates, and radically reduce them. That group was led by the Senator from Iowa [Mr. CUMMINS] a day or two ago in a very notable speech in this body.

I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, I just wanted to call attention to a statement by the chairman of the committee in corroboration of what the Senator has just said. On June 1, when we took up the tariff bill, the chairman of the committee stated:

I desire to suggest several committee changes in the paragraph. It is the paragraph that relates to cylinder, crown, and sheet glass, generally known as window glass, and that character of glass.

I wish to say at this time that the committee in its first hearings gave so much time to the paragraphs of the bill on which there were contests that it may be that in some instances where there was no contest it did not give the consideration that ought to have been given to the amendment of some of the House provisions. It was understood that the committee should be in session every morning for the purpose of looking further into any of these matters as they arose.

The committee has carefully gone over paragraph 219 and will suggest an amendment to each one of these rates, with the exception of the first one.

And then he proceeded to enumerate a number of changes, clearly stating, as I interpret his language, that they brought in here a bill which was not even digested in the committee itself.

Mr. SIMMONS. After three months' work on it.

Mr. JONES of New Mexico. After three months' work; and they expect us and the Senate to accept such work as that without investigation or discussion.

Mr. SIMMONS. Mr. President, I think it is not venturing too much to say that in the light of the exposures—for you can not call it anything else—that have resulted from these discussions, it would have been absolutely impossible to pass this bill through the Senate, even with the logrolling agreement that has been entered into, unless very material reductions were made all along the line.

Mr. President, we have not yet quite finished the third schedule. We are just coming to that part of the bill which, to my mind, is most monstrous of all the unthinkable propositions in the bill. I think, as we go along, that the recklessness of the committee in writing these exorbitant taxes against the people into this bill will be made more and more apparent and glaring, and that before we get through with it, unless the bill shall be practically rewritten in these secret morning sessions of the committee, there will be such a revolt, such an uprising, such an outcry, such a denunciation from one end of the country to the other, irrespective of party, that the majority Members will hardly dare to ask its enactment, and will be glad of an opportunity to drop it, and say it was killed by "the filibustering tactics of the Democratic Party."

Mr. President, if there is any filibustering, they are doing their part of it now, and it may be that that is the reason—that they have discovered that the thing is so bad that it can not be repaired, it can not be remedied, and the best thing to do is to join this side in a whole-hearted discussion of all of these items, and take up time, and finally let the bill fail, either here or in conference, and then say that "the Democrats filibustered" to such an extent that they were not able to get it through in time to have it become a law during this session of the Congress.

Mr. President, I am talking in a practical way. I am not dealing in pyrotechnics. I am not dealing in graveyard stuff. I am not talking of the academic discussions of 15 or 20 or 25 years ago. I am talking about this bill—the thing they now propose to enact into law. That is what we have been trying to get the Republicans to talk about; but whenever we ask them to talk about this bill they begin to talk about protection and the American laborer, and make the same hackneyed speeches we heard so much 25 years ago. Before I get through I want to throw some light upon what they are doing for the American laborer as compared with what they are doing for the American millionaire and the American magnate of the tariff—the American trusts and monopolies.

The Senator read from a great many speeches that were delivered in past times. I think he went back as far as John C. Calhoun and reviewed the discussions then, and then he followed them up and reviewed the discussions up to the passage of the latest tariff act on the part of the Democrats and on the part of the Republicans, discussions of the great fundamental principles underlying the differences in the thoughts and the policies of the Democratic and the Republican Parties upon the great question of tariff taxation. He said that we were hearing the same old thing here in this Chamber that was echoed and reechoed in these speeches of bygone years. Mr. President, there has not been on this side of the Chamber a single academic discussion of the question of protection or of free trade or of revenue tariff, and no such discussion has been made on the other side of the Chamber except by the junior Senator from Idaho [Mr. GOODING]. The other discussions here have related to this particular bill and have been closely confined to this bill.

The Senator says we are making prophecies, and that we have made these prophecies before, and that they have all vanished into thin air when election day came. Mr. President, I think the Senator forgot recent history. He forgot the only Republican tariff bill that has ever been passed that bore any relationship whatever to this one. That one did have some regard for the protective principle. This has none. That one was based on some thought and some information as to the underlying principles of protection. This has not. That bill carried a rate of forty-odd per cent. This bill carries a rate at least 50 per cent higher than that did, and it is laid in such a way that it is at least an additional 50 per cent more oppressive than that bill was.

The Senator says that that bill brought great prosperity to the country, and he read figures of imports and exports in millions and billions until the Chamber reeked with his figures, showing the wonderful development that had resulted from the Payne-Aldrich tariff and the other Republican tariffs, and the great advance that we have made in world trade, all called to a halt as the result of the passage of the Underwood bill.

Mr. President, he forgot the fact that our balance of trade during the first year under the Underwood law was 18 per cent, as compared with 4 per cent under the Payne-Aldrich law. He forgot the fact that in 1921, the only other normal year—for 1921 was a normal year, so far as foreign trade was concerned—under the Underwood rates our balance of trade, for that single year, was as much as our balance of trade during the four long years under the Payne-Aldrich law. He did not tell us about that in his rhetorical and eloquent flourishes about the great benefits of a protective tariff. He thinks that nothing built up this country but a protective tariff. He thinks there has been no development in the world during the past quarter of a century except in America. The figures which are known of all men who study history show the contrary. During that period we may have led the procession, but there are other countries which have come tramping pretty close upon our heels in development and progress, economically, financially, and industrially.

When he spoke of our prophecies with reference to the effect of the enactment of this iniquitous Republican measure now made as being like those which have been made in the past, I am compelled to think the Senator has suffered a lapse of memory. He could not have had his mind upon what happened in this very Chamber in 1909. I was here. I wish the Senator

could have heard, as I heard, the eloquent onslaughts of the great Senator from Iowa, the eloquent and masterful Dolliver, when, day after day, he leveled broadsides against the Payne-Aldrich bill, just as we are leveling them against this bill.

I wish he could have been here and could have heard the eloquent and practical present senior Senator from Iowa [Mr. CUMMINS], who sits just across the aisle from me, when he, together with his great colleague, led the forces against the Payne-Aldrich bill, and predicted dire disaster to the Republican Party if that measure were adopted.

Has the Senator from Indiana forgotten those prophecies? Has the memory of the Senator from Indiana so far lapsed that he has forgotten the consequences of the Senate and the Congress refusing to take the admonition and warning of the two great Senators from Iowa? Has he forgotten that? Upon what issue were the campaigns of 1910 and 1912 fought out? They were fought out upon the issue of the tariff rates in the Payne-Aldrich bill. That was the issue in 1910 and in 1912, and what was the result in both of those years of a contest in which that question was put to the test, and the people were allowed to pass upon the facts that called forth these prophecies of the two great Senators from Iowa, reinforced by a few other great Senators on the other side, as well as on this side of the Chamber? In both of those contests the result was most disastrous to the Republican Party, reversing its control of the House and the Senate in the one campaign, and when it came to a direct question of electing a President upon that issue the Republicans carried but two little States in this Union.

Yet the Senator says that our prophecies are vain, and that he is not concerning himself about them in the least. If he is not concerning himself about them, the leaders of his party outside of this Chamber are concerning themselves about them very much, and I think before we get through with this business we shall find that everybody on the other side of the Chamber, including the eloquent Senator from Indiana, will be concerning themselves about it, and doing everything they can to take the back track, and to try to placate the wrath and indignation of the American people.

Mr. President, away back yonder in the days of William McKinley, the greatest apostle of protection this country has seen, but a man who looked at protection from the standpoint of national welfare and sanity—William McKinley foresaw, as all the great protectionists of that day foresaw, that the only way the protective principle could possibly be preserved, and the only justification, in fact, for its existence and application, was through domestic competition in the products of the country.

When the argument was made that the duties asked would practically shut out foreign importations or greatly restrict foreign importations and thereby affect competition at home, we were assured that prices would not be increased. We were assured by these gentlemen, these first expounders of the doctrine of protection, these great apostles of the doctrine of protection, when it was probably in its swaddling clothes in this country, that there would be no increases in domestic prices as the result of the enactment of a protective policy; that, on the other hand, as soon as we should begin to produce the product in this country to a point anything like the demand of the country, the domestic competition would be so keen that it would keep down prices, and that instead of the exclusion of foreign products advancing prices, it would result in a reduction of prices.

Mr. President, you yourself are a great protectionist [Mr. FRELINGHUYSEN in the chair]. I want to ask you if that was not the plea of protectionists, put forward when this principle was first advanced and urged upon the American people? We then said, "No; we want competition. We are entitled to competition. If you keep out the foreigner, you will simply increase the price." They said, "No; the domestic competition will take care of that."

I know Senators on the other side of the Chamber all deserted when I began to reply to the forensic and sophomoric speech of the Senator from Indiana; they have all departed from the Chamber. They will not hear argument; they will not listen to facts. I want to ask them nevertheless if they would be in favor of protection if it were certified that there would be no competition in the domestic market between domestic producers and that the prices of products would be fixed by the producers in combination and agreement and always fixed as high as the tariff would bear?

Mr. WATSON of Georgia. Mr. President—

Mr. SIMMONS. If they would go before the people and say that to-morrow, I guarantee you that they would not get 5 per cent of the votes of the American people in the next election. I shall now proceed to show that that very condition

will inevitably arise as the result of the adoption of the rates carried in this bill.

Mr. WATSON of Georgia. Mr. President—

The PRESIDING OFFICER (Mr. FRELINGHUYSEN in the chair). Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. I yield to the Senator from Georgia with great pleasure.

Mr. WATSON of Georgia. Now that it has been boldly proclaimed that the purpose of these Republican tariff bills is to put profits into the business of one branch of American industry, namely, the manufacturers, does not the Senator from North Carolina, as a great lawyer, believe that any taxpayer in America could enjoin the enforcement of these rates?

Mr. SIMMONS. Mr. President, I would not say that, in view of the decision of the Supreme Court with reference to the unlimited power of Congress in imposing this class of taxation. But for that I should say undoubtedly that the Senator's question should be answered in the affirmative.

I am seeking to answer the Senator from Indiana by a practical discussion of this particular bill. I do not want to deal with the dead past as the Senator from Indiana did; I am dealing with the present. This bill is not going to tax people who are dead and in their graves; it is going to tax the 110,000,000 people who are living here to-day. It is going to tax them whether they are making 1 per cent profit or 2 per cent profit, and more than half of them are not making more than 2 per cent profit. It is going to tax them from 30 to 40 per cent, sometimes as high as 100 per cent, and I can point out cases where it will tax them 150 per cent for the benefit of four or five thousand especially favored people in this country who are making profits upon what they produce all the way from 10 to 100 per cent.

I said a little while ago that the protective principle was based upon the theory that prices would not be enhanced by reason of the exclusion of the foreign product; that domestic competition would protect the people; that that competition would keep the prices down, and that therefore the consumer need not be in fear because of these duties. If that had not been advanced as a reason why the people would not eternally have to pay these high rates of duty, the protective principle never could have been engrafted upon our economic system. What has happened? I want to show that what has happened in the United States since that time has made the protective principle, as understood by McKinley and Blaine and Dingley, absolutely impossible of fair application to America.

Is there any domestic competition in this country to-day? In 90 per cent of all the products of this country, outside of farm products, is there any competition in this country to-day between the producers? Can anyone name any great industry in this country to-day that is not absolutely dominated either by a trust or by some agreement that is tantamount to a trust in its effect upon competition?

In the Lockwood investigation Mr. Untermeyer took the testimony upon the glass schedule in the hearings before the Finance Committee, and from that testimony showed conclusively that there was an understanding and agreement that fixed the price as to practically all glassware products of this country. He showed that there were three great associations, and that there was another sort of holding association composed of elected or selected members from those three great glassware associations. This holding company, so to speak, this association composed of the representatives of the three great glassware associations, fixed the prices and the terms and conditions under which the product was sold, thereby eliminating every vestige of competition.

The following is from the New York Times concerning the glass combine:

[From the New York Times, May 21, 1921.]

GLASS COMBINE PUT PRICES UP 400 PER CENT—LOCKWOOD INQUIRY REVEALS AN ENORMOUS INCREASE, MOSTLY SINCE THE ARMISTICE—RULED BY THREE ASSOCIATIONS—PLANNED TO CREATE AN ARTIFICIAL SCARCITY IN COMMODITY BY SHUTTING DOWN PLANTS—PARQUET FLOORING BOOST—PRICES QUADRUPLED IN FOUR YEARS, BUT RISE WAS CHECKED BY HOUSING INQUIRY.

A combine of glass manufacturers controlling practically \$350,000,000 worth of window, plate, and rough glass annually has increased prices 400 per cent since 1915, according to evidence bared before the Lockwood committee yesterday. The signing of the armistice and the relaxation of Federal supervision on industry was followed by a rise in prices of 250 per cent for the year from the end of 1918 to the end of 1919. Prices increased 150 per cent from 1915 to 1918.

The combine consists of three national associations, known as the National Association of Window Glass Manufacturers, with headquarters in Pittsburgh; the Plate Glass Manufacturers of America, with offices in the same building; and the Association of Manufacturers of Rough Glass. The national associations are allied through membership in the National Glass Distributing Association, the organization of



jobbers, which covers the United States and which is divided into the Eastern Association and the Western Association. The jobbers handle the output of the manufacturers.

The evidence revealed by Samuel Untermyer and George R. Brennan, his assistant, showed that the glass manufacturers kept a strict supervision of the amount of glass manufactured, arranged a "quota" of the product to be manufactured by each member, fixed uniform prices, and had the factories shut down when the "quota" was obtained.

A circular sent to the trade of J. R. Johnston, secretary of the National Association of Window Glass Manufacturers, stated that many factories would complete their "quota" before the first week in May and some reported that they would have their "quota" in 12 weeks instead of 15 or 16 weeks. When the 16 weeks elapsed the furnaces were "blown out" and the workmen laid off.

Take any other industry you please. If it is an important industry, if it is big enough to attract or justify a trust or a combination or a concerted action of this character, they get together upon price fixing, and in this way all competition in the domestic market, in the material and essential and staple products of the country, outside of the products of agriculture, has been brought to an end under the process of monopolization into a trust or agreement that names the prices at which the product shall be bought and sold in the American market, without any reference to the law of supply and demand and without any reference to the law of competition.

When the people of this country have lost, as they indeed have lost, the benefits of domestic competition the very foundation stone of the protective tariff system is gone and it can not be justified for a minute, when we admit that the prices in this market are not regulated by competition but are regulated by monopoly. I defy the present Presiding Officer of the Senate [Mr. FRELINGHUYSEN in the chair] or any advocate of protection to rise on the floor of this Chamber and say that the protective principle can be justified if it be conceded that domestic competition has been stifled by monopoly, by trusts, by associations, combines, or understandings of any character whatsoever.

So we now have no foundation for the protective system. If we had, even then there is no protective tariff in this bill. How can anyone, then, justify a protective tariff, even if we have competitive conditions, which I say is the basic principle upon which protection must rest? If we take out the foundation stone, the whole temple falls of its own weight.

Who is undertaking upon the floor of the Senate, when these rates have been attacked, to justify them upon any principle of protection that has ever been advanced heretofore? Who has undertaken to argue that these tariff rates measure the difference in the cost of production here and abroad? Does anyone believe for a minute that the American people would consent to tax themselves to protect these industries from foreign competition to further increase the profits already excessive and out of proportion to those of nine-tenths of the people or for any purpose save to equalize cost of materials and labor and thus bring about fair conditions of competition? Did Aldrich, did McKinley, did Dingley, or did anybody who has ever spoken in behalf of protection in this country attempt to justify it upon any other principle than that of difference in cost of production? It was always the poor laborer of the country whose wages must be kept up to the American standard and that we must give protection to in order to measure the difference in wage cost. That was the cry. If there was a difference in the cost of the materials of production, that was also to be equalized. Nobody has contended in these debates, however, that there is any substantial difference in the material cost here and in foreign countries of many, indeed most, of the things contained in the bill. In fact, as a rule, I take it that it will be agreed that the material cost in most foreign countries is just now about as great as here. Especially is that true where the foreign manufacturer must purchase his own raw materials elsewhere. Of course, if the raw materials are produced in the country of production, there might be some slight difference in cost in favor of some countries of Europe.

Europe is our industrial competitor, but if the difference in exchange cuts against us in the case of imports of foreign merchandise, the same thing cuts against the foreigner when he has to buy his raw materials from abroad. It may, therefore, be laid down as a general principle that there is practically none or little difference in most of the manufactured products of this country and of Europe with reference to material cost. It has not been seriously contended here that there was, as a rule, any substantial differences. Wherever there has been a feeble effort to justify any of these rates upon the protective principle, it has been upon the basis of difference in labor cost. Nobody on the other side of the Chamber up to this time has been rash enough to contend that the duties in this bill were necessary to equalize the labor cost here and abroad, except in isolated cases of certain German products,

such as toys and knives. They do not attempt to justify it on that principle. On the contrary, they admit that that principle of measurement had to be scrapped, and had to be scrapped because it had been impossible to get data in the present unsettled condition of affairs. In the uncertain status of markets here and abroad it was impossible to get data as to the cost of production abroad or even here, and therefore the rule could not be applied.

Now, having abandoned that fundamental principle of protection, they have laid down and attempted to justify the bill upon the ground that as to one country in the world, and only one country in the world, the selling price of the foreign product imported to this country is very much below the selling price of the domestic product in this country. That country is Germany. From that country during the last year we imported only \$88,000,000 worth of products, and to that country in the last year we exported \$347,000,000 worth of products. Because, therefore, of the importation to this country of \$88,000,000 as against our exportations of four times that much to that same country, they insist that these rates shall be raised from 50 to 100 per cent higher than the labor costs of those products in other countries of the world, and in many instances 50 per cent higher than the total labor costs of the product in this country.

Mr. President, upon that subject I have some data which I wish to place in the RECORD. I am not going to put in the RECORD a lot of moldy old speeches of a half or a quarter of a century ago. I am not going to fill the RECORD and take up the time of the Senate reading from what John C. Calhoun said or what Vest said or what Clay said or what some great statesman of the past, either Republican or Democrat, may have said about protection when it was an academic question in this country. I am going to show the facts with reference to labor costs, always heretofore regarded as the foundation upon which tariff taxation must rest.

The rates in this bill are made high, it is claimed, because of the difference in the labor cost here and in Germany—not generally, but in Germany, the country to which we sell four times as much as we buy from it. I venture the statement that when we investigate the facts it will be found that German products sell nearly as high in this market as American products sell for in the German market, and that we have been able to sell her four times as much as we bought from her during the last year because of the cheap prices at which we have offered her our products.

I have some figures here about this labor business. I have obtained these figures through experts furnished me by the Tariff Commission. The calculations have not been worked out by free traders; they have not been framed up by tax dodgers, as many of the figures that are brought in here on the other side have been framed up by people who are seeking to gouge the American public. They have been prepared for me by a Government official expert, and the bases of the calculation are the official figures. I am going to read some of them, though it would take too long to read them all.

The first striking example that I have is wrought pipe. The total wage cost of producing wrought pipe in this country—not in Europe but in this country—is 18.2 per cent of the total value of the product. That is the total labor cost. The duty imposed in this bill upon the imports of that product is 27 per cent; in other words, Mr. President, the duty levied upon this product is 9 per cent higher than the total labor cost of the product.

Mr. HITCHCOCK. I think the Senator from North Carolina means 50 per cent higher.

Mr. SIMMONS. It would be 50 per cent in the comparison, but I am merely stating the difference in percentage.

Mr. HITCHCOCK. The tariff rate is one-half higher.

Mr. SIMMONS. Yes; it is one-half higher.

The next item is adding and calculating machines. Those are very much in use in this country, and are very much more important to the men who are engaged in business than a rehash and recital of musty old speeches of the past quarter of a century. The entire labor cost of this product is 25.7 per cent—not quite 26 per cent. The duty imposed upon it is 30 per cent.

Mr. KING. Will it disturb the Senator if I interrupt him?

Mr. SIMMONS. Not at all.

Mr. KING. Mr. President, of course, I can not challenge the accuracy of the expert's statement as to the labor costs as the statement has been submitted to my distinguished friend; but I venture the assertion that those costs have been put entirely too high. The labor cost in the entire chemical industry—and labor there is higher for the product returned than in any other industry, I should imagine, because of the tech-

nical skill supposed to be involved—and the labor cost there is only 8 per cent. Before the war it was only 8½ per cent of the value of the product.

Mr. SIMMONS. What is the average duty which this bill puts on commodities in the chemical schedule?

Mr. KING. The average duty is from 150 to 600 per cent.

Mr. SIMMONS. With a labor cost of only 8 or 10 per cent?

Mr. KING. With a labor cost of only 8 per cent of the entire value of the product. I can not comprehend, if in the entire chemical schedule the labor cost is only 8 per cent, why it should be 20 per cent in the industry to which the Senator from North Carolina refers.

Mr. WALSH of Montana. Will the Senator pardon me for an interruption?

Mr. SIMMONS. Yes.

Mr. WALSH of Montana. I should like to inquire whether the statement is controverted by anyone on the other side?

Mr. KING. I do not think it can be.

Mr. SIMMONS. I presume it can not be, for it is based upon the official records.

Again, Mr. President, as to structural iron not made in steel mills, the labor cost is 20.3 per cent, while the duties upon it imposed in this bill range from 30 to 40 per cent—double the entire labor cost in this country of the product.

Again, Mr. President, in the case of tin plate and terneplates, articles of common use in this country, the labor cost is 5.9 per cent—call it 6 per cent—while the protection given in this bill is 8.2 per cent.

In the case of brass and bronze the labor cost is 20.4 per cent, while the protection accorded is 46.2 per cent—more than twice the entire labor cost. In the case of copper smelting the labor cost, as I understand, is made up of two items, which would make it 19.1 per cent, while the duty is 36.3 per cent.

Mr. POMERENE. Mr. President, I should like to ask the Senator a question. He has given the labor cost, for instance, of wrought pipe, as I recall one item. Does that mean the total labor cost from the ore in the mine to the manufacture of the pipe?

Mr. SIMMONS. I means the total cost of manufacturing the product.

Mr. POMERENE. Out of what? Out of the iron or the steel, as the case may be?

Mr. SIMMONS. Yes; if it is a manufactured product.

Mr. POMERENE. It includes the one process?

Mr. SIMMONS. No; it includes the labor—the employees, clerks, stenographers, and office force—all the labor that is properly chargeable against that product.

Mr. POMERENE. But what I am trying to get at is whether it covers all the processes from the ore in the mine to the pig and from the pig later on to the finished product?

Mr. SIMMONS. I do not understand that this would include the mining of the raw material.

Mr. HITCHCOCK. Will the Senator specify what he means by copper? I did not understand that.

Mr. SIMMONS. It reads "copper smelting." That is the reason I was a bit uncertain as to what it means.

Mr. WALSH of Montana. If the Senator will pardon me, there is some ambiguity there which ought to be cleared up.

Mr. SIMMONS. I ask the Senator if he will not clear it up, for I do not know much about this industry—especially nomenclature—while the Senator from Montana is familiar with it.

Mr. WALSH of Montana. It is quite plain that the item refers to manufactures of brass and bronze and copper and to such smelting as is incident to the manufacturing of the product, not to the smelting of the copper or the zinc ore which enters into the composition of the brass and copper.

Mr. SIMMONS. That was my understanding.

The next item that I come to is electrical machinery, apparatus, and supplies. There is a tremendous output of those products in this country, the output being practically a billion dollars' worth. The entire labor cost is 23.9 per cent; call it 24 per cent. The entire labor cost of this great product in which everybody is deeply interested, which enters so universally into our daily lives and the expense of living is 24 per cent in round figures, as against a protection of 40 per cent under this bill.

Mr. WALSH of Montana. Mr. President, I take it that a very large portion of the remainder of the cost is attributable to the cost of materials entering into the product.

Mr. SIMMONS. Certainly.

Mr. WALSH of Montana. Of course, with reference to many of the raw materials we have an advantage which, to some extent at least, offsets the advantage in the lower cost of labor abroad. The copper, for instance, produced in this country so largely is obviously available to the American manufacturer at

a less cost than it is to the European manufacturer, the difference in cost of transportation across the ocean and to the place of use alone being a considerable item. So it is with a multitude of things which are manufactured from raw materials of which America is the source.

Mr. SIMMONS. Yes. I am putting these figures into the RECORD for the purpose of showing that even if the commodities which we buy from abroad did not cost anything in the way of labor over there, if they were sold without real labor cost to the exporter, there would still be 50 per cent more duty imposed in the bill than the entire labor cost of the product in this country.

Mr. WALSH of Montana. Exactly, and I was endeavoring to draw attention to the fact that in determining whether any duty is necessary in order to equalize conditions there are other elements than labor which must of necessity be taken into consideration.

Mr. SIMMONS. Undoubtedly—and, as the Senator says, in many instances these other elements are in our favor, as in the case of copper just referred to by the Senator.

Mr. President, the next item is stamped ware, of which \$100,000,000 is the value of the domestic product; the labor cost is 23.4 per cent; and the duty ranges from 40 to 60 per cent. For enamel ware, domestic labor costs 25.7 per cent, the duty is 5 cents a pound to 50 per cent ad valorem. For bath tubs, lavatories, and sinks, the labor cost 30.5 per cent; the protective duty 40 per cent. For table cutlery the labor cost in the American factory is 43.5 per cent and the protection is 132 per cent.

Think about that, Senators!

Razors: Labor cost, 16.1 per cent; protection, 175 per cent.

Knives, except table knives: Domestic labor cost, 46 per cent; protection, 166 per cent.

All other cutlery: Labor cost, 36.7 per cent; protection, 134 per cent.

Edged tools: Labor cost, 32.3 per cent; protection, 40 per cent.

Files—an article in common use in every household and on every farm: Labor cost, 35.2 per cent; protection, 44 per cent.

Hardware: Labor cost, 29.3 per cent; protection, 40 per cent.

Wire: Labor cost, 18.6 per cent; protection, 35 per cent.

Wirework, including wire rope, and so forth: Labor cost, 17.1 per cent; protection, 40 per cent.

Aluminum ware: Labor cost, 17.7 per cent; household ware made of aluminum, 15 cents per pound and 60 per cent; electric attachments, 15 cents a pound and 70 per cent.

Clocks: Labor cost, 33.6 per cent; protection, 41 per cent.

Watches, including parts of watches and clocks: Labor cost, 39.6 per cent; protection, 58 per cent.

I have here a most illuminating case, Mr. President, furnished me by the president of the Fair Tariff League, a protective-tariff association claiming to have 1,500,000 members. He says:

American women are paid 4 cents for knitting a pair of cheap wool socks, piecework, but American women are taxed 18 cents on a pair of these same stockings. This is four and one-third times the labor cost. The woman operative gets a wage of 4 cents. Against labor's 4 cents the woolgrower gets 5 cents protection and the factory 13 cents.

Mr. President, I am simply taking advantage of this occasion to put in the RECORD some matter, and it is not graveyard stuff, either; it is live stuff, pertinent to the duties in this bill. I do not wish to take the time of the Senate to read all of this matter; but upon the same line, with reference to the comparison between the total labor cost and the duties in this bill, I ask permission to insert without reading certain documentary matter that I have. This data is with reference to the matter that I have been discussing. In getting this permission, I do not want to abuse at all the privilege.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

The Fair Tariff League of Racine, Wis., through its president, Mr. H. E. Miles, says that the tariff should be purely a business proposition. That is good business talk. There is no place for party politics in tariff making. The Republican and Democratic Parties have come quite near each other in their tariff declarations. The last definitive Republican statement was in the platform of 1908, which said that the measure of protection should be the difference in cost of production here and abroad. The Democrats say the tariff should be for revenue, with incidental protection. These viewpoints are not so different that they need prevent the framing of a business tariff on business lines.

But the Fordney-McCumber bill imposes duties far higher than have ever been dreamed of before. It pays no attention to the difference in cost of production. It is a bonus bill for manufacturers.

American women are paid 4 cents for knitting a pair of cheap wool stockings, but American women are taxed 18 cents on a pair of these stockings. This is four and one-third times the labor cost. The woman operative gets a wage of 4 cents. Against labor's 4 cents the woolgrower gets 5 cents protection and the factory 13 cents.



The Aluminum Trust sells aluminum to Americans at 21 cents per pound and exports it to England, where the price is 15 cents. This trust is a monopoly. It started with a paid-in capital of about \$200,000, which has grown in capital and dividends to some \$70,000,000. Its costs are substantially as low as anywhere in the world, but the Fordney-McCumber bill would make its duty from 5 to 9 cents per pound on the metal and 70 per cent on kitchen and table ware.

The cheapest machine-made lace, such as poor women use, made here as cheaply as anywhere in the world, is taxed 90 per cent. With the wholesaler's and retailers' charges this will be 180 per cent upon the lace the working woman and the farmer's wife wear.

The proposed duty on wool will add \$4.15 to the price of a cheap dress, part wool, part shoddy. In anticipation of it the American Woolen Co. has already increased its prices 10 to 45 cents per yard.

#### LINOLEUM.

The Fair Tariff League, of Racine, Wis., says that American women buy very many yards of linoleum every year. The American manufacturers of linoleum have made large profits by supplying American women with it. But the Fordney-McCumber bill gives an additional bonus to the manufacturers. It authorizes them to add 35 cents to every dollar of their price. And their price is already nearly double what it was in 1917. The cost of making a square yard of molded, inland linoleum in this country is less than 89 cents. In England the cost is nearly 82 cents. A duty of 10 per cent would more than cover the difference in cost of production here and abroad. But the Fordney-McCumber bill gives a duty of 35 per cent as a bonus to the American manufacturer. It gives him three and one-half times what he has any right to claim, and it gives it to him at the cost of the housewife in millions of small American homes.

#### GLUE.

Almost every American home contains a bottle of glue. It is made of the by-products of the packing house, good for nothing else. Any tariff is a gift to the packers. The Fordney-McCumber bill gives the packers a bonus in the shape of a duty of 25 per cent upon glue. The glue makers will stick the consumers, the women of America, that much more. The packer would be glad to sell a dollar's worth of this by-product for a dollar, but Uncle Sam gives him the right to charge \$1.25 for a dollar's worth, so, of course, he will do so.

#### JEWELRY.

Jewelry of the quality usually sold in department stores, etc., is made more cheaply in the United States than anywhere else in the world. The only imports of cheap jewelry are fancy novelties. In 1920 imports were six-tenths of 1 per cent of domestic production; in 1919, 60 cents worth was imported for each \$100 worth made. We export much more than we import. The present duty is 60 cents on the dollar. The Fordney-McCumber bill gives the manufacturer a bonus of 20 cents more, 80 cents on the dollar.

#### FURTHER STATEMENT OF MR. MILES.

(Statement of H. E. Miles, chairman Fair Tariff League, a protectionist organization representing farmers, wage earners, manufacturers, and distributors.)

It is a crime to call the Senate tariff bill a protectionist measure. Our league has analyzed every schedule. There is no worst schedule. Each one is an utter betrayal of the principle of protection as defined by the Republican Party and every protectionist and requiring that each rate measure the difference in cost of production here and abroad. Look at this:

The poor woman's bread knife with a 10-inch fluted blade is sold from American factories for 6½ cents; the duty proposed is 13 cents. The figures are the same for the common butcher knife with 6-inch blade. The cheap wood-handle kitchen table knife is sold for 4½ cents; duty, 6.85 cents. So with all table cutlery, of which 48 per cent of all that was made in the United States in the last three years was freely shipped to all parts of the world. The makers meet and "fix prices" against American consumers annually.

The cheap check gingham of which the poor woman's dress is made is now shut out of the American market by a 15 per cent duty. None has come in in 20 years. The principal manufacturer showed a capital of about \$4,000,000 in 1896, since which time he has increased it to about \$40,000,000 and declared some \$30,000,000 of cash dividends. He is now cutting wages. The Senate proposes to increase his duty to 39.2 per cent. The total wages in the cotton mills of the United States average about 16 per cent. The duties are often twice this total wage percentage and more.

We all remember the scandal of a few years ago when under the Dingley law sewing-machine makers exported their product at prices far below their domestic prices. The Simmons-Underwood law put them on the free list. They produced in 1919 \$43,694,919. Of their total product they exported to all quarters 25 per cent in 1919, 35.7 per cent in 1920, and 16.7 per cent in 1921, when foreign countries were too poor to buy freely. We imported only one-half of 1 per cent in 1919, seven-tenths of 1 per cent in 1920, and nine-tenths of 1 per cent in 1921. The Senate offers these manufacturers 25 per cent on sewing machines worth less than \$75 and 40 per cent on more expensive machines. Thus does the Senate of the United States propose to go into the sewing-machine business and make themselves the initial force in low prices for export and extortion against American consumers.

I happen to know from inside and authoritative sources that the great Singer Sewing Machine Co., which is said to produce 80 per cent of all the sewing machines made in the world, fills its orders from China, Japan, and other oriental countries, and these orders are very extensive, from its New Jersey factory because it is cheaper to do so than to ship from its British factory on the Clyde, with the so-called cheap labor of free trade England.

The whole tariff is exactly of this sort. The poor man's wool clothing is taxed 120 to 140 per cent, the rich man's 75 per cent.

[From the New York Journal of Commerce, May 19, 1922.]

#### BARYTES AS AN EXAMPLE.

A day or two ago there occurred in the Senate a characteristic debate which centered around the tariff rate of barytes. The Finance Committee had recommended a rate of \$5 per ton on crude and \$10 per ton on manufactured barytes, as against a rate of \$1.50 per ton in the Payne-Aldrich law. Debate brought out the fact that barytes is imported but little into this country, the bulk of what comes in being used on the Atlantic coast, while the domestic product is used in the western cities. It was apparently largely as a price-fixing expedient

that the committee had granted the \$5 rate, thereby permitting monopoly charges to be set by local owners of the mines.

Of course, there was little trouble in putting to flight the "cost of production" argument. It appeared that the rate was equal to fully 100 per cent protection, and at the same time an increase of three and one-third times the pre-war rate on the article. Mining men testified that the tariff was enough to cover the costs of the most expensive ore now being mined in any industry, so that as affecting this particular product there was not, by the wildest stretch of imagination, the least ground for the proposal to establish a rate of \$5 per ton. Neither on the basis of protective theory, nor on that of comparative cost, nor on that of supposed advantage enjoyed by countries of low currency exchange could there be defense of the suggested tariff duty.

Barytes is not a commodity of popular consumption. The "average man" does not buy much of it. Nevertheless, it figures in the cost of things he does buy, and the effect of playing into the hands of western mine owners by giving them an exclusive monopoly of this market would be simply to raise the cost of all products in which barytes figures as an element of expense. Among these are various rubber products, paints, and other items. The barytes rate was thus a plan to assess monopoly profits indirectly upon consumers of paints and rubber goods of the kinds in which barytes figures. This was not an isolated example, for the same "principle" runs all through the tariff.

[From the Chicago Tribune, Tuesday, May 23, 1922.]

The common argument in favor of a protective tariff is to the effect that without such tariff the products of cheap foreign labor, perhaps combined with cheap raw materials and low overhead costs, can compete so successfully with American products in American markets as to put the American competitor out of business, close his factory, or reduce his workmen to starvation wages. That is a good argument. But it doesn't always hold. There are situations in which the reverse is true.

Consider the aluminum business, which we have mentioned before, not because of any antipathy but because it appears to afford startling illustration of possible dangers in a high protective tariff. The production of crude aluminum in the United States is controlled by a monopoly, the Aluminum Co. of America. In addition to producing virtually all the aluminum smelted in this country, that concern, through its subsidiary corporations, is a large producer of fabricated aluminum, such as kitchen utensils, and incidentally makes a vast amount of aluminum castings for use in automobile manufacture.

It has as competitors some 35 or 40 independent aluminum cooking utensil manufacturers and several hundred independent aluminum foundries. It supplies these independents with ingots and sheets from which their products are manufactured. It is frequently delayed in filling orders for such materials. The better business becomes and the greater the demand for materials the more likely is the supply to be delayed.

Two courses then are open to the independents. They can buy abroad or close or restrict their plants. A prohibitive tariff would prevent them from buying abroad. It would also allow the monopoly to put any price it might desire upon its supplies. The effect upon these independents, employing some 10,000 men, is easily understood. It goes further than that. The average weight of aluminum used in automobiles is estimated at more than 100 pounds. The effect of protection of the monopoly upon our vast automobile business would be important.

Yet a tariff which the independents consider prohibitive, and which they say would allow the monopoly to close their plants and put their workers out of a job, is now on the schedule. And that "protection" is asked by and for a monopoly which earned more than \$10,000,000 net in 1920 on a capitalization of less than \$19,000,000. If such a tariff arrangement could be made in the aluminum business there is little doubt that a similar arrangement exists among others of the thousands of items on the bill. Such a duty does not protect. It exploits. It demands careful investigation of the entire bill.

Mr. SIMMONS. The Senator from Indiana thinks that we can further curtail our imports by raising the wall of protection to such heights as will exclude many products that are now imported in considerable quantities and still enjoy our foreign export market.

Mr. President, this is a strange argument, in the light of the facts as developed in these discussions. It has been conclusively shown that we are not now flooded with foreign imports under the present law, under the moderate import duties that now obtain. Our imports from all the world last year were not much above normal, while our imports from Europe, the country to which we sell most of our surplus of manufactured products and probably two-thirds of our surplus farm products, last year were actually below normal. They were less than they were in any year under the Payne-Aldrich bill. I have the figures here, Mr. President.

Mr. KING. Notwithstanding our population is very much enlarged.

Mr. SIMMONS. Notwithstanding our population is much larger. Under the low rates of the Underwood bill last year our imports from Europe—and it is upon Europe, as I said, that we must rely for a sale for our wheat, our cotton, our pork, our lard, and other fat products, as well as a large part of our manufactured products—our imports from all of Europe last year, 1921, were only \$764,000,000. In 1910, the first year under the Payne-Aldrich bill, our imports from Europe were \$790,000,000, about \$30,000,000 more than in 1921.

In 1911, the second year under the Payne-Aldrich law, our imports from Europe were \$770,000,000, \$6,000,000 more than they were last year. Our imports in 1912, the third year of the Payne-Aldrich law, were \$900,000,000, or \$136,000,000 more than in 1921. In 1913, the fourth year of the Payne-Aldrich law, they were \$864,000,000, or \$100,000,000 more than in 1921. So that it is true that our imports from Europe in

1921 were less than they were any year during the time the Payne-Aldrich law was on the statute books, and they were about \$25,000,000 less than they were in 1914, the first year of the operation of the Underwood law. Therefore, they are now below normal, so far as Europe is concerned.

Europe owes us practically \$12,000,000,000. If Europe should pay us the interest upon that \$12,000,000,000, it would take practically all they receive in exchange for the goods we now buy from her to pay that interest. Business men, great financiers, masters of industry, bankers, political economists recognize, and many of them have asserted heretofore, that it was a question whether we would not have either to arrange to take European products in payment of the interest upon this debt or to cancel it, and many wise men in this country have advocated a policy of canceling this debt, because they argued that Europe could not pay the interest unless we accepted its products in payment; that that would not be desirable under present conditions.

If it be true that it would take substantially the entire purchase price of the products we now import from Europe to pay the interest upon her debt and it is questionable whether for that reason we ought to insist upon payment of the interest at this time, I ask how can Europe pay us for its purchases of the vast surplus products of our fields, of our factories, of our mines which we seek to sell her if we radically curtail the volume of her present importations to us by the tariff bars set up in this bill? Where is she going to get the money to pay us for these things? And must there not follow a disastrous slump in our export trade with Europe unless we are willing to buy in reasonable measure what she has to sell us? All healthy international trade is based on barter, and we must buy if we expect to sell.

Mr. President, it must be obvious that there is no hope of a continuance of that magnificent business we have in the past enjoyed, and in large measure yet enjoy, in the sale of our goods upon the Continent of Europe if we shall raise this wall so high as to further materially reduce the already less than normal importations from that Continent.

Last year we sold for the most part to Europe, \$552,000,000 worth of wheat. We sold mostly to Europe something over \$500,000,000 worth of raw cotton. We sold mostly to Europe in lard products and meat products nearly another half billion dollars' worth. Of four agricultural products we sold to Europe last year practically one and a half billion dollars' worth of products of our farms alone. Now, it is proposed to further cut down imports from Europe, for no man who has studied this bill can doubt that these high and oftentimes prohibitive rates are aimed chiefly at the products of Europe. There are high rates on some agricultural products, and some of these will affect importations from Australia, of South America, Central America, Canada, Cuba, and so forth. But the objective of the bill and its rates is to curtail or exclude the products of Europe, mostly manufactures. I repeat, the main purpose of this bill is to exclude imports from the European Continent, and I make the prediction now that if this bill passes, our imports from Europe will dwindle to a fraction of what they are to-day, and when that happens, in the condition in which Europe finds herself now, without gold to pay us, with impaired credit, with practically no way of liquidating her purchases except by exchange of products, we may look for a disastrous slump in our export business to Europe, just as has already taken place in our export and our import business with Canada.

The emergency tariff bill was aimed especially at Canada. There is no use beating about the bush about that. Everybody knows the emergency tariff bill was passed to shut out Canadian imports from this country. What has been the effect of that emergency tariff upon our Canadian business? In not quite a year, since the enactment of that law, our trade with the Dominion of Canada has dropped from \$1,300,000,000 to a little over \$700,000,000, a reduction of something over \$600,000,000 in one year.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. KING. As a further result of this unwise and impolitic economic policy, I direct the Senator's attention to a fact which perhaps he has discussed, and which no doubt has suggested itself to the able Senator many times, that when those nations with whom we have been dealing, and who have been taking our products in the past, are forced by our unwise legislation from our markets, and are perforce compelled to find a market elsewhere, the result will be that in a few years they will be cut off entirely, even though we would be willing to trade, because they will have developed new avenues of trade

and new fields in which they will make their purchases and where they will make disposition of their surplus products.

Mr. SIMMONS. That is self-evident. If we shut English manufactured products out of this country, of course they will seek a market in South America, and if they find a market in South America instead of here, England will buy her agricultural products from South America instead of from us.

If we shut out English manufacturers from this market, they will seek a market in Canada, and they will buy their agricultural products from Canada instead of from us. The same thing will happen with reference to Australia and Brazil and every other country where manufacturing is not highly developed and where agriculture is. If, in other words, we cut off our British imports of manufactured products as the result of this tariff, that does not mean that the British are not going to continue to make those products and sell them, but it means that they are going to sell them in some other market. It will be in the market of an agricultural country, and they will buy their agricultural products in that country instead of buying them in this country.

Mr. President, we not only have lost practically one-half of our trade with our neighbor, Canada, the best customer we had in the world except Europe, but we are going to lose a great deal more of that trade. Right now the authorities of Canada, I am advised, are preparing to promulgate a new preferential tariff in behalf of Great Britain. Instead of giving her the comparatively moderate preference she now enjoys, hereafter Great Britain is to have a preferential tariff rate of 50 per cent over the United States and other countries. If that happens, then we are going to lose, and lose to Great Britain, by reason of a stupid discrimination in tariff imposed here, a large part of the balance of this great and valuable trade we have so long enjoyed. We are going to lose, to a large extent at least, the best customer we have in the world to-day, except one, for our surplus manufactured products.

Mr. President, a fact was demonstrated here the other day in the debate, and it is a fact which I have the documents here to show, though I am not going to take the time to do so now, but before we get through with this discussion we will explode a great many things that have been set up here as pretexts and excuses to justify this unconscionable raid upon the pocket-books of the American people. I have the data here that I shall put in the Record when I get it a little better arranged than it is now to show that as a result of the fact that most of the staple products of this country are monopolized so as to enable the producers to charge the American people what they please, there is only one restraint upon their greed, and that is the fear of foreign competition if they should raise the prices beyond a certain level.

Under these circumstances the great trusts which now control probably three-fourths of our manufacturing industries are charging the American people prices that range from 10 to 30 per cent higher than the prices at which they export the very same articles and sell them to the foreigner. That is going on now where there is trust control, and I say it is almost all-pervading now. But when we leave those trusts without restraint with reference to the matter of price, when the present tariff wall is gradually raised until it is twice and sometimes three times as high as it is at present, so that they may charge the American people without the slightest danger of foreign competition from 25 to 75 per cent and more than they are charging them now, they will be just as eager for the foreign market as they are now. They will be more eager than they are now, and they will, by reason of the higher prices and profits they will then exact and get from the domestic consumer, feel justified in selling their surplus abroad at a lower profit than they would feel warranted in selling them for now. It will be found when the bill is passed and these restraints are removed, and the domestic prices have been jacked up, that the foreign prices will not be likewise increased, but lowered, so that they may be kept to the level of the world price and to promote quick and heavy sales will in many instances be reduced below the world level.

What will be the outcome of those high duties? It will be a higher price paid by the domestic consumer and a lower price paid by the foreign consumer for the American product. If that condition follows, am I not right in saying that the result of your tariff will not be to protect the American consumer or the American laborer? Nor will it be in the interest of the American consumer or the American laborer.

Its sole benefit will inure to the manufacturers of those products already rolling in wealth, already living in princely mansions, and to the foreigner who buys the American manufacturer's surplus.



Are we here for the benefit of making a tariff in the interest of the foreigner? These gentlemen say they are making it in the interest of the American consumer and laborer. I say that the result will inevitably follow of higher prices here and lower prices abroad of the American-produced product, and in many cases the foreigner will get the benefit of the tariff, and not the domestic consumer.

Mr. President, I have talked very much longer than I expected, but before I conclude I want to put a few other things in the RECORD. I have here a most illuminating article, which appeared in the New York World the other day. They sent an expert down here to make an investigation of the bill and of the facts with reference to it and the tariff situation generally. They asked him to thoroughly post himself and make an analysis, and in this article he has made a very illuminating analysis of certain schedules in this bill. It is stated that other articles will appear. I have not yet seen the others, but if they are as good as this I shall be glad to see them. It is written by Mr. Elliott Thurston. I have had the pleasure of meeting him and talking with him. He is one of the most intelligent newspaper men I have ever met. This is one of the strongest articles that has been written by any reporter from the Capital since these debates began. I ask permission to incorporate the article in the RECORD without reading it.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Without objection, it is so ordered.

The article referred to is as follows:

**DICTATED BY SUPERLOBBYISTS, TARIFF BILL WOULD ADD BURDEN EQUAL TO PRESENT UNITED STATES TAXES—INQUIRY BY THE WORLD SHOWS THE FORDNEY-MCCUMBER MEASURE WOULD CAUSE COST OF LIVING TO JUMP AGAIN—AGENTS OF HUGE COMBINATIONS DEMANDED AND GOT RATES THAT WOULD INSURE INCOME ON WAR PROFITS—"A DISGRACEFUL SPECTACLE," SAYS SIMMONS—NOTICE OF INCREASE IN PRICES ALREADY SENT OUT IN SOME TRADES—RATES 50 PER CENT ABOVE NOTORIOUS PAYNE-ALDRICH BILL BASED ON FIGURES OF FOREIGN COSTS NOW CHANGED SHARPLY UPWARD—FOOD, CLOTHING, BUILDING MATERIALS, AND OTHER NECESSITIES AFFECTED—JOKERS CUNNINGLY CONCEALED WOULD BAR COMPETITION—HUGE GOLD BRICK FOR FARMERS BOUGHT FARM BLOC'S SUPPORT.**

Do you like to be gouged? Do you think any further burdens should be added by the Government to the present heavy war taxes and the high cost of living? If not, do you know what you will have to pay if the Fordney-McCumber tariff bill should be enacted?

Every citizen of the land will come under new and heavy exactions, for every necessity of life will bear its burdens under the bill. The treasure will go mostly to swell the tremendous profits made by big industries during the war.

Appreciating that the public is not aware of what the measure means, the World has had a careful inquiry made into the provisions of the Fordney-McCumber bill by Elliott Thurston, a member of its staff who has had much experience in such matters. Below is the first of Mr. Thurston's articles. Others will be printed at intervals of two or three days until the main points of the greatest tariff gouge ever attempted are made clear.

[By Elliott Thurston.]

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WASHINGTON, May 28.—Republican leaders hoped to have the Fordney-McCumber tariff bill passed by the end of June. Now Congress is likely to stay in session most of the summer, if not into the fall, in the battle over this measure, for the Senate has begun only the opening skirmishes. Bitter fighting is to come, for the country is just awakening to what this measure means and protests are deluging Senators. Some of the Republicans show signs of breaking under the fire.

A careful inquiry into the bill gives plenty of reason for popular outcry. In all the country's stormy history of tariff making since 1816 no measure ever before proposed for passage was so loaded with burdens for the public. Other bills embodied jokers, concessions to industrial powers, and glaring inconsistencies, but none ever represented so complete a surrender to the will of organized monopoly.

Here are some of the leading features of the Fordney-McCumber bill shown by the World's inquiry:

1. The high cost of living, which has been reduced so slowly and laboriously, will jump again. An insurmountable tariff wall will be erected behind which war prices could be charged for food, all sorts of clothing, shoes, housing, and other necessities of life without danger of competition.

2. An "invisible tax" estimated by experts for the Senate minority to equal, if not exceed, the income and all other Federal taxes now imposed would be wrung from the public under this bill. The bulk of the proceeds would be handed over to the favored beneficiaries under the proposed rates, enabling them to pay dividends on inflated capitalization.

**SUPERLOBBYISTS DICTATED RATES 50 PER CENT OVER HIGH RECORD.**

3. A small group of superlobbyists, armed with the delegated power of gigantic industrial monopolies, in many cases arrogantly demanded and obtained prohibitive rates which would insure income on swollen war profits as well as old plants. These superlobbyists are a new, specialized product of concerted pressure exerted by combinations. Under their dictation the rates of the bill have been jacked up an average of 50 per cent above the levels of the Payne-Aldrich tariff—the highest heretofore—which caused a revolt in the country.

4. An amazing string of jokers in new guises, evidently intended to escape discovery pending passage of the measure, has been concealed in the technicalities of the bill.

5. A gigantic gold brick would be unloaded upon the unsuspecting farmer, who, for the sake of winning the farm bloc's support for the bill, is allowed a few more dollars for his products. The information that for every dollar he gains he will have to pay out \$5 to meet the increased cost of living is being carefully withheld from him.

6. High duties are proposed on cement, brick, and other building materials formerly on the free list, which would add to the already

exorbitant building and housing costs. The duties would perpetuate the profiteering and illegal monopolies in the building trades exposed by the Lockwood committee in New York.

**EUROPE COULDN'T PAY DEBTS.**

7. Importations would be placed under a virtual embargo, thereby blocking Europe's only means of paying off her war debt of more than \$11,000,000,000 to the United States. The economically unhealthy gold surplus would remain in this country—over 40 per cent of the world's gold supply is now in Federal reserve bank vaults—instead of flowing back to normal channels and stabilizing exchanges.

8. Unemployment and depression will result in those lines of business and industry which depend upon selling their surpluses abroad. Foreign markets will be closed to America when foreign goods are excluded from this country. Europe can not buy of America except through the process of exchanging merchandise.

9. Notices of price increases in anticipation of the passage of the Fordney-McCumber bill, have already been issued to dealers by several of the chief industrial favorites of the bill. These are industries exerting a control of domestic markets amounting to monopoly.

**\$100,000 REPORT NOW OBSOLETE.**

10. Framers of the bill, professing to abide by the Republican doctrine of fixing tariff rates to equalize the difference between production costs at home and abroad, used as a basis for their calculations the \$100,000 report of the Reynolds investigating committee. This report arbitrarily took foreign production costs of August 1, 1921. These costs have since increased so much as to make the whole report obsolete and a false basis of comparison.

11. The bill would give the President the power to increase any of the rates by 50 per cent upon 30 days' notice, or to substitute the discredited American valuation plan with its still higher rates of duty. This plan met with such general denunciation that the Senate was forced to kill it as a part of the bill itself.

**ORDERS OF MASTER TO SERVANT WHEN BIG INTERESTS SPOKE.**

The superlobbyists were the men who wrote these provisions into the bill. Wielding tremendous political power as the delegates of whole branches of industry, numbering hundreds of individual plants and factories, they approached the House Ways and Means Committee and the Senate Finance Committee as dictators rather than petitioners. They gave their orders. The orders were promptly obeyed with no more than a pretense of inquiry into the facts or justification of the demands.

"I have never seen a more disgraceful spectacle than the way in which the majority of the committee bowed to these representatives of organized industry," are the words of Senator SIMMONS of North Carolina, chief assailant of the bill, veteran of 20 years in the Senate and chairman of the Finance Committee during the Wilson administration. "They did not come in as in the past and make requests. They came in and made demands. Their orders were obeyed without question as the orders of a master to a servant are obeyed."

**MON BEHIND THE SCHEDULES.**

Item after item in the proposed bill bears the unmistakable mark of their work. Some of it was performed in open committee sessions, most of it behind closed doors in secret sessions.

Here are some of the men who came before the committees as spokesmen for huge industrial organizations, as shown by the RECORD:

Henry F. Lippitt, former United States Senator, Providence, R. I., representing cotton manufacturers.

Lucius N. Littauer, New York, representing manufacturers of cotton gloves.

Horace B. Cheney, New York, representing the Silk Association of America.

John P. Wood, Boston, representing the National Association of Wool Manufacturers.

Arthur V. Davis, president of the Aluminum Co. of America.

William J. O'Brien, Baltimore, representing 83 of the 88 cement companies in the country.

These names, taken at random from records of hearings on the various schedules of the bill, illustrate the manner in which organized industries left their destinies in the hands of single spokesmen. Comparison of their wishes with the rates in the bill shows the fidelity with which the committees obeyed. More pointed still are the meetings not made a matter of record at which William M. Wood, president of the American Woolen Co. and other industrial powers, made known their will privately and in advance.

**JOKE ON THE FARMERS.**

Most of the agricultural duties resulted from the trading of the farm bloc, which went so far as to obtain rates on wheat and corn notwithstanding the fact that America is the world's largest producer of both. This has become one of the standing jokes at the present session.

Ever since negotiating this trade—the promise of support for the bill as against the duties they were awarded—members of the bloc have been conspicuously absent from hearings in the Senate on the bill.

These unprecedented tactics in the drafting of the measure have not passed without resentment even in the ranks of the Republicans. Several Senators of progressive leanings admit privately that they are strongly against the extortions proposed and the methods employed. But they are keeping silent in the interest of party unity, hoping for revisions later. Senators LENROTH and NORRIS have gone so far as to express their dissatisfaction on the floor of the Senate. The breaking away from the ranks of these two Senators—with the prospect of others to follow—has caused the Republican leaders no little worry.

**NO SIGNS OF DUMPING.**

In so far as anyone has undertaken an explanation of the bill it appears that there were two predominant motives considered. One was protection of the American manufacturer against dumping—that is, an inundation of foreign goods that would drive him out of business. The specter of this catastrophe stalks across page after page of the testimony taken at the committee hearings on the various schedules in the bill.

Senator SIMMONS has attempted to run this specter to the ground. He first pointed out that except for a few German toys and pocket-knives, about which there has been loud wailing, no evidence of dumping has yet been shown.

Examination of the Department of Commerce's figures on imports discloses no evidence of dumping. On the contrary, imports from Europe in 1921 are found to be \$764,000,000, which is \$463,000,000 less than in 1920. It is even less than in any year during the life of the high Payne-Aldrich tariff. Likewise imports from all sources for the eight months ending February, 1921, were \$2,757,000,000. For the eight months ending February, 1922, they were \$1,629,000,000.

In other words, the statistics prove that instead of a swelling flood of foreign goods pouring into America that alleged tide receded, even under the present Underwood tariff, at the rate of more than a billion and a half a year.

#### MAINTENANCE OF WAGES PLEA.

The other leading consideration was maintenance of good wages for the American worker. The champions of the bill, however, have not elaborated their argument to the point where the American worker can be shown how he is to gain if all his living costs are to go up again, and if industries depending on foreign markets can not sell their goods abroad. This instance is typical of the catch phrases applied to all tariff bills, particularly this one, in the belief that those whom they are designed to reach will take them at their face value.

If the Fordney-McCumber bill was ever intended as a revenue-producing measure, its sponsors have ceased to defend it on that ground in the face of the overwhelming opinion that no revenue can be expected of a bill which will exclude the goods upon which the revenue is to be raised.

In all the sea of conflicting opinion and divergent tariff faith surrounding and clouding the issues at stake, one fact stands out with singular clarity—the bill in its present form gives perfect satisfaction to all the organized and monopolized industries in the country. It is their product. What happens to the public is something for the public to worry about.

Mr. SIMMONS. Mr. President, I have not had much to say about the agricultural schedule of the bill, except disapproval of the methods by which many of the duties were written into the bill and of the understanding that brought about supposed harmony in the ranks of the Republican Party in connection with those rates, but I want to read to the Senate an article that appeared a few days ago in the Nebraska Union Farmer. This newspaper, as I understand, published at Omaha, Nebr., is the official organ of the Farmers' Union of that State. I am told by the Senator from Nebraska [Mr. NORRIS] that the editor is a Republican. I know nothing about that, but the word of Senator NORRIS will be accepted by all. I judge the editor is a Republican also, from some of his comments in the article which I am going to read. The article which I wish first to read appears in the April 26, 1922, issue of this paper and is from President Charles S. Barrett. Mr. Barrett, as I understand, is the national president of the Farmers' Union. That, as I am advised, is the largest farm organization in the United States and probably has the largest membership. Certainly its membership is more widely scattered throughout the country than that of any other farm organization. It is the only great farm organization that has survived in my State, and it still has there a very large membership. Mr. Barrett has been its president for many years. He is an able man. The article is as follows:

#### FARMERS WORSTED ON TARIFF.

(By National President Charles S. Barrett.)

With reference to the proposed tariff, Chairman McCUMBER of the Senate Finance Committee makes a statement which is undoubtedly true. He says: "We have given the agricultural interests of the country a better standard of protection than has ever been given in any previous tariff bill."

I think that the farmers of the country are glad to feel that they are likely to receive greater tariff protection on farm products; at least, that is the impression I get from talking with a number of farm representatives here in Washington who have been acting for commodity organizations of dairymen, wool, and cane growers, etc.

They have had a hard fight to secure what they consider proper treatment, and in some instances are not fully satisfied that the tariff duties proposed are sufficient, as, for instance, the organized dairymen, who have made a very strong case for tariff protection against the importation of vegetable oils. There is no doubt in my mind that these commodity experts are amply fortified with data to show consumers that they have taken the right course to protect American agriculture.

#### INDUSTRY GETS LION'S SHARE.

I feel that it is a matter of concern that the farmers, in order to secure what they believe is fair and reasonable and necessary in the matter of tariff protection, have been forced to submit to unjustly high, if not extortionate, import duties on many of the manufactured articles produced in this country, which, I believe, instead of being higher, should be lower.

Is it not a sad commentary upon legislative conditions that in order for the farmers to receive only what is just and adequate in the matter of protection, there must be months of logrolling operations on the part of Senators and Representatives, and that for every added dollar which agriculture is to receive, the manufacturers, as a whole, will receive probably six or eight times as much—and this despite the fact that the capital investment in agriculture is \$77,000,000,000, while that of manufacturing is only \$44,000,000,000?

If what some of the tariff authorities say is true, it looks as if the increased tariff rates which the manufacturers expect to get will make possible an increase of their prices of upward of \$2,000,000,000. If this is so, then I suppose we must multiply the manufacturers' price by two to get the price the consumers pay after the goods have gone through the middlemen's channels.

On the other hand, I am unable to see where agriculture, as a whole, can expect to secure, through the proposed increased duties, more than \$250,000,000. I think this is necessarily so, since with reference to the great staple products, like cotton and grains, and also in the case of hogs and their by-products, we are an exporting nation.

#### A NOTABLE PAMPHLET.

I have been forcibly impressed with the viewpoint of two well-known manufacturers, George N. Peak and Gen. Hugh S. Johnson, of the Moline Plow Co., whose pamphlet, "Equality for Agriculture," has attracted so much attention. They, like myself, are not satisfied with the present arrangement in tariff making. I do not know that I agree entirely with their views, as when they say, "agricultural tariffs do

not protect agriculture, since world prices fix domestic prices of every crop we export a surplus," but I suppose I must agree if their statement were changed to read, "agricultural tariffs do not adequately protect agriculture."

I fully indorse their statement that world prices fix the domestic prices of the crops of which we export a surplus, and I am also most heartily in agreement with their next statement that "industrial tariffs can and do protect prices of articles for which a crop is exchanged," and that "the protective principle is operated for the benefit of industry to the detriment of agriculture."

That is the situation that I must protest as representative of a great national farm organization, and I think the time must inevitably arrive when jockeying and logrolling, which have been forced upon the farmers by the powerfully financed manufacturing interests, must give way to a sound and scientific tariff making, based upon publicly known, indisputable facts with reference to what is necessary in tariff laws, to give proper protection to the various business interests of the Nation.

#### EXTORTION IN NAME OF LABOR.

I am morally certain that in many cases the highly paid attorneys and technical experts of the manufacturing industry have put one over on our lawmakers, for I am convinced that even with the higher wages paid American labor in order more nearly to secure what is known as the American standard of living, there are certain lines of manufacturing which can produce as cheaply as any foreign nation, and in some cases more cheaply.

This is because the American labor is highly efficient and because of the highly perfected automatic machinery, which in the case of knitting works, to use an illustration, is said to enable an operative to knit 150 dozen pairs of cheap socks a day. If \$3 a day is the wage, and this is much higher than in other nations for this class of work, then the labor cost of knitting the 150 dozen pairs of socks is 2 cents per dozen pairs, or, in other words, less than seventeen-hundredths of a cent a pair; and yet, in spite of this condition, the Senators and Representatives upon whom agriculture has had to depend to secure fair and reasonable protection have been forced to agree that the present duties on hosiery will be practically doubled.

I wish it distinctly understood that in offering these observations upon the tariff situation I am making no criticism of the Senators and Representatives coming from agricultural sections of the Nation who have been planning the tariff measure or taking an active part in it. They have done the best they could under the circumstances. They had their duty to perform, and they had to work under a severe handicap.

#### A WELTER OF SELFISHNESS.

The manufacturers have swarmed to Washington, and with their vast mass of statistics and balance sheets, literally overwhelmed a large part of Congress. Only highly trained statisticians, certified public accountants, and manufacturing experts could possibly assimilate and interpret the alleged facts and figures which many of these manufacturers have successfully pressed in behalf of their claims for still further tariff protection.

The great manufacturing interests of this country have completely outstripped the farmers in many ways, as is shown by the fact that with only about 57 per cent as great an investment their annual turnover is many billion dollars more than that of agriculture; and also by the fact that the present tariff schedules are likely to secure increased prices of upward of \$2,000,000,000, making a total of \$4,000,000,000 when passed through the middlemen's hands, while, on the other hand, agriculture will probably receive through direct price increases not over one-quarter of a billion dollars.

It is certainly worthy of comment that the officials of the Moline Plow Co. referred to, Mr. Peak and General Johnson, fully acknowledge the supremacy of manufacturing over agriculture. One comment which these great manufacturers make is this:

"Industrial tariff affords protection for industry from cheap foreign competition, because industry can, must, and does regulate supply to demand on domestic markets. It can, because it can control production. Even if overproduced, it is organized and financed to withhold surplus until demand at fair value absorbs it. It must, because failure to do so would destroy it by withdrawal of capital. It can elect when and whether it shall sell in export and at what price."

#### TIME TO DO SOME THINKING.

This whole problem of benefits that agriculture can permanently expect to secure through our present method of tariff making—with agriculture as yet largely unskilled in the methods which will place it upon a somewhat equal basis with manufacturing as far as securing a return upon its labor and interest upon its investments—must be taken hold of one of these days with vigor and understanding.

Secretary Wallace recognized this fact when recently he called together in Washington a group of financiers and business men to consider the suggestions made by the officials of the Moline Plow Co. The problem is so intricate and forces which have so hugely profited from tariff making in the past are so powerfully entrenched that it may be some years before a better solution is found; but at least it is a matter worthy of consideration and getting ready to tackle.

Editorially the publication says, speaking of the article which I have just read:

#### THE PRICE OF PROTECTION.

President Barrett's article on the tariff question in this issue affords abundant food for thought. He suggests that the pending tariff measure would operate to increase the prices of some of our agricultural products, such as wool, sugar, butter, and some of the fruits, but that on the great staple farm products of the country—the corn, wheat, cotton, pork, and beef—it would have little, if any, effect.

The operation of the duties in the pending bill would give a total increase in prices of agricultural products of not over one-fourth of a billion dollars a year, President Barrett estimates. On the other hand, he shows that the protection given to manufacturers would enable them to exact \$2,000,000,000 a year in added prices on their wares, which would be multiplied by two by the time the goods reached the consumers.

What will it profit the farmers of the country to secure effective protection on a few relatively unimportant agricultural commodities at the cost of increased prices on almost everything they buy? We do not wish to put words into President Barrett's mouth or draw conclusions for him, but it seems to us from his figures that farmers are paying a mighty long price for the so-called protection the tariff bill would afford.

Farmers of the great Corn Belt fare particularly badly in this transaction. Prices of their staple products are not increased by the



"paper" duties placed upon them. As consumers, however, they will not only have to pay a large part of the increase in prices caused by added duties on manufactured products but will also have to help pay the increased prices for some of the agricultural products on which the tariff is effective.

President Barrett invites us to consider how farmers can get a square deal on the tariff question. We have pondered this question a great deal, and have come firmly to the conclusion that farmers should cease to ask for protection on their products. Then they could go before Congress with clean hands to oppose the demands of manufacturers. Until farmers do this, they will be cheated regularly in the tariff-framing game.

Next I insert an editorial from the same Nebraska farmers' organ in its issue of April 12, 1922, as follows:  
[Editorial by L. S. Herron in the Nebraska Union Farmer of April 12, 1922.]

#### TARIFF DICKERING.

From Washington come reports that the Senate has "surrendered" to the farm bloc on the tariff. That is, the members of the farm bloc are to be allowed to write the duties for farm products just as high as they wish—providing, of course, they allow the manufacturing interests to write their schedules as high as they please. Now, that isn't just what we would call a surrender. It appears rather that the members of the farm bloc have been taken into camp by the tariff-sustained monopolists.

Except in a comparatively few cases, of which sugar and wool are examples, tariff duties on farm products do not tend to enhance prices in this country, because prices here are determined by the markets of the world in which the surplus is sold. This has been proved conclusively by the utter failure of the emergency tariff on farm products to have any effect on prices.

If the farmers were organized into a monopoly, they might make tariff duties operative by withholding their products from the market and creating scarcity behind the tariff wall; but farmers are not organized into any such monopoly, and there is no prospect that they will be. On the other hand, the protected manufacturers, for the most part, are organized to restrict production and hold up prices. They make their duties operative.

This means that the members of the bloc, if the reports are true, are trading real price-fixing protection to manufacturers for mere "paper" duties on the preponderant part of agricultural products. This would be a very bad trade at any time, but it is especially bad just now when the country is suffering acutely from price disparity.

Mr. President, I have strayed far from the line of discussion which I had mapped out for myself when I took the floor. I expected only briefly to reply to some of the observations made by the Senator from Indiana [Mr. WATSON], but after finishing with that matter I felt it was opportune, as the Senator had started the discussion, to put into the Record some practical facts in connection with the rates carried in the particular bill now pending. I regret that I have taken so much of the time of the Senate in doing so, but I feel that the facts and data that I have been able to offer will be of much value in elucidating these rates and in conveying not only to the Senators who had not had the time and opportunity for studying the details of this measure but to the country at large what the rates in the bill really mean not only to the consumers of the country but to the legitimate business of the United States, especially the trade of the United States that must find an export market for its surplus.

Mr. McCUMBER. Mr. President, I think this is the fourth or, possibly, the fifth time the Senator from North Carolina [Mr. SIMMONS] has delivered a general speech upon the tariff question, and I think I am not stretching the truth in the slightest degree when I say that nine-tenths of the last speech was practically the same as the first and that each one has been along the same line.

The Senator to-day took 2 hours and 20 minutes to tell us what he had told us before, the first time in a 4-hour speech, the second time, I think, in about a 2½-hour speech, and it has been repeated in about the same language on each occasion.

Mr. President, there has been but one speech on this side of the Chamber which pretended to be a general discussion of the tariff question, involving the great principle of protection, and that was the speech made this forenoon by the Senator from Indiana [Mr. WATSON]. Now the Senator from North Carolina has put in another 2 hours and 20 minutes, and I wish to take 2 minutes in replying in substance to practically all that he has said.

The whole gist of his argument has been that if we are to get the interest upon what the countries of Europe owe us we must allow Europe to enter into our markets and take possession of them.

Mr. President, a few weeks ago the Russian government offered to settle the debts which they owed to foreign countries provided those countries would loan them the money with which to do it. That proposal has been ridiculed generally by the press of the country. Germany a short time ago said to the Reparation Commission, "If you will loan us the money with which to pay, we will pay you the reparations." That suggestion, too, has been ridiculed by the press of the country. If a debtor should come to me and say, "I owe you \$100 on my note, and if you will loan me \$100 I will pay it," I think that proposal would generally be ridiculed. Yet that is exactly

what the Senator from North Carolina proposes as a settlement of the indebtedness owed by Europe to the United States.

He quotes England, for instance, as saying to us that the only way they can pay us the \$200,000,000 of interest due is for us to open our markets to her goods. Very well; let us suppose that she makes 10 per cent upon her goods sold in this country. That would mean that we would have to surrender the manufacture of \$2,000,000,000 worth of goods in order to allow Great Britain to enter the American market and make enough upon her imports to pay us \$200,000,000 of interest which she owes us. We decline to do that. She says to us in effect, "Close down your mills which produce \$2,000,000,000 worth of goods; put out of employment half a million American workmen, and give us the market for that much goods and we will pay the interest." We say, however, we will not do that.

The Senator from North Carolina has not told us in all of his argument what we are going to do with the half a million of workmen who would walk the streets if their occupation were taken away on account of the closing down of the mills in which they are employed. We on this side of the Chamber say it is a thousand times better that we do not get a red cent from our debtors than to close down American business or to surrender \$2,000,000,000 of it to Great Britain in order that she may pay the interest upon the debt she owes us. I believe, Mr. President, that we should be for America; that we should keep open our mills and our factories and keep our men employed. That is worth more to us than all of the interest that could be paid in a year or ten years or a thousand years from our debtors. That is what we are seeking under the terms of the pending bill.

The Senator from North Carolina says that we have lost \$600,000,000 in our trade with Canada because of the emergency tariff law. He says that law is the cause of that loss in trade. That is a very fine argument, but in the very next breath he will say that the cause of our declining commerce is the depression throughout the world. We have lost just as much of our trade and commerce elsewhere. If he will take hold of one horn of the dilemma and say that our business has decreased generally because of world depression, then we will all agree with him that that is the principal cause.

But, Mr. President, we are not meeting merely the condition of to-day. Europe has been paralyzed. She is scarcely on her feet to-day. She has not the goods to export in any great quantities to the United States to-day, but she has the ability, the man power and the woman power, to produce them; and as soon as she can again get upon her feet and start all her factories at work, with the American wage practically double and the foreign wage practically cut in two, no man on earth with ordinary common sense can deny the truth that she will be a stronger competitor in our markets than ever before, and no man can deny that as she becomes a stronger competitor we will need a stronger barrier to hold our own markets against competition.

That is what this bill seeks to do. It does not for a single moment seek to exclude goods. There is not an item in the bill, outside of those that are covered by the embargo, that will not allow importations, and in time sufficient importations to put the foreigner at least on equal ground with the American, and in many instances gives him an advantage over the American producer unless we enormously decrease our own wages. Any one who looks over the situation and says that any one of these rates, other than those contained in the embargo provisions covering dyes, is a prohibitive rate, knows that he is not giving us the true facts.

The time will soon come when we will take the time to answer these so-called Republican papers which are representing only the interests of the importer. We shall be able to show the profits of the manufacturer compared with the enormous profits of the importer who is being represented by this subsidized press—subsidized through the payment of immense sums for advertising—which is willing to destroy the manufacturing interests for the benefit of a few thousand importers.

Mr. President, it is said that these long addresses that we hear every day or two on the other side are necessary in order to explain this bill, so that the American people will be able to understand what it means. When the American people have read an assertion once, they understand English, and do not need to have it repeated 4,000 times in order to comprehend the simple English statement; and yet they tell us, "Oh, no; we are not trying to delay this bill. We can speak three or four hours at a time, and then vote on one or two little items a day, but we are not delaying it at all. We are just trying to explain to the American people its iniquities."

Mr. President, I hope now that we can return for the moment to the real question. It is a hard question, we will admit, either to defend or to attack. We do not, as Repub-

licans, believe in embargoes; but the dye question, the chemical question, raised in the American mind an apprehension which grew out of the war such as has never before faced the American public; and to develop the chemical industry, the dye industry, with all it meant, we placed an embargo, first recommended by a Democratic President, and rightly recommended, to establish an American industry that might protect us and be useful in time of war.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. McCUMBER. I do.

Mr. KING. I think the Senator is in error—at least, I may have misunderstood his position—in assuming that the embargo feature is before us to-day. It is paragraphs 25 and 26 of the chemical schedule, as I understand, that we are considering to-day.

Mr. McCUMBER. Yes; but I intend to bring the embargo provision right on in connection with them. It was understood that we would take up the dye-embargo part of the bill, so that we could consider and dispose of all of the dye propositions at one time.

Mr. KING. If the Senator will pardon me, I do not know how he got such an understanding. I never so understood it, and I always opposed that. In fact, I have not understood that we were to consider anything but paragraphs 25 and 26, because I shall oppose bringing forward the embargo provision, and I think it would be very unfair to bring it forward, because that is not under consideration now, and has not been reached.

Mr. McCUMBER. It is all on the same subject, Mr. President. One can hardly consider the two paragraphs mentioned by the Senator without considering them in connection with the dye embargo. It was my understanding, and it was reiterated several times, that we would desire to take up the whole question of dyes at one time, but we can consider only these two paragraphs first. I can not tell how much time they will take; I hope not much longer; but I think we can settle on whether we will follow them with the dye embargo when we get through with these two.

Mr. FRELINGHUYSEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Jersey?

Mr. McCUMBER. I yield the floor.

Mr. KING. If the Senator will pardon me, I approached the Senator from North Dakota some time ago and asked that the consideration of paragraphs 25 and 26 be postponed until we reached the embargo provision, so that they could be considered at the same time. The Senator from North Dakota, as I understood him, when I made that suggestion to him several weeks ago, assented to it; I will not say definitely, but he indicated that as far as he knew that would be agreeable.

Mr. McCUMBER. I thought they ought to come together, whichever way we brought them, either bringing the last one up to these, or bringing these further along to the last section.

Mr. KING. So just before we reached paragraphs 25 and 26 I suggested to the Senator that they go over until we reached the embargo provision. Thereupon the Senator from North Dakota, as I understood him, rather demurred, and said that he would like to consider paragraphs 25 and 26 when they were reached in their regular order. I told him that of course I could not object to that procedure if he insisted, but that I hoped he would permit the consideration of paragraphs 25 and 26 to go over until we reached the embargo.

I confess that I was somewhat disappointed that the Senator should call up paragraphs 25 and 26 before we reached the embargo, but I felt, in view of the fact that they are there, that he could insist upon disposing of the amendments to paragraphs 25 and 26 at this time; but I shall object now to taking up a provision further along in the bill. Indeed, I think it would be a violation of the unanimous-consent agreement to take up the amendments and consider them first.

Mr. McCUMBER. That provision is an amendment.

Mr. KING. No; but I mean in the regular order. The understanding was that we would take up the amendments in the regular order.

Mr. McCUMBER. No, Mr. President; there was no understanding about the regular order, and I have broken the regular order time and time again, not only at the request of the Senator now speaking but at the request of other Senators, for their convenience. I have tried to accommodate them in every possible way, and I want to assure the Senator now that I will try to accommodate him.

Mr. KING. Let me say to the Senator that the Senator from New Hampshire [Mr. Moses] wants to be here when the em-

bargo provision is up for consideration; but, of course, I do not concede that it is up for consideration to-day, and it will not be until we reach it in regular course in the consideration of the bill.

Mr. McCUMBER. Paragraph 25 is up now.

Mr. KING. Yes; paragraph 25 and paragraph 26.

Mr. McCUMBER. Paragraph 26 will be up when we get through with paragraph 25.

The PRESIDING OFFICER. Will the Senator pardon the Chair? The Secretary advises the Chair that there are three amendments in paragraph 25, and that they have all been agreed to, and that paragraph 25 is disposed of.

Mr. KING. Well, Mr. President, that is not—

The PRESIDING OFFICER. The Chair is only stating what he has been advised.

Mr. FRELINGHUYSEN. Mr. President, am I recognized?

The PRESIDING OFFICER. Just a moment. The Secretary states that on May 12 the first amendment was agreed to, and on June 1 the second and third amendments were agreed to. Now the Senator from New Jersey is recognized.

Mr. FRELINGHUYSEN. Mr. President, as I understand the record, last week we debated paragraph 25. The Senator from Utah offered a motion that we disagree to it. That was defeated, and then the committee amendment was agreed to; and, as I understand, the paragraph, with the committee amendments, has been passed and we are now on paragraph 26.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Utah?

Mr. FRELINGHUYSEN. Yes.

Mr. KING. I stated during the discussion that I had two amendments to strike out "50" and insert "30," and then that I intended to offer an amendment to the "7 cents per pound." If that may be done at this time—

Mr. FRELINGHUYSEN. Of course, that will be up to the chairman of the committee; but I hope that this whole dye question can be taken up at one time.

Some time past, in debating the question of the duty on antimony, we skipped one of the paragraphs and took up paragraphs further along in the bill, but they related entirely to the other paragraph and cleaned it all up at one time. The embargo and the expansion of the embargo are in two separate paragraphs further along in the bill, but they relate entirely to the dye schedule; and if we are going to settle what our tariff policy shall be on dyes, with the experts here anxious to clean up this schedule and leave and go to their other duties, the practical way to do it is to clean it up at once. So I hope that after paragraph 26 has been debated and settled the chairman will urge the Senate to continue the discussion of the dye embargo and its extension, so that the whole question can be cleaned up at one time.

Mr. KING. All I can say is that, of course, I shall oppose that. I think it would be manifestly unfair and manifestly unjust to import a section down at the tail end of the bill up to this schedule and consider it now. I have no objection to disposing of paragraphs 25 and 26, and have no objection to any Senator discussing the embargo as much as he pleases; but I shall certainly object to the Senate voting upon the embargo now. I should consider that it would be a violation of the rule which we announced at the beginning, namely, that we would take up for consideration the amendments, proceeding with them in order, and pass upon them, going down through the bill; then, after the Senate amendments had been disposed of, that we could recur to the beginning and offer such amendments to the text of the bill as were desired by Senators.

Mr. FRELINGHUYSEN. Mr. President, that is a very impractical and scattering way to do it. At the suggestion of the other side, we settled the entire question of one product, and we skipped all over the bill to do it. I think if we are going to settle our tariff policy on dyes, we ought to settle the entire question, debate it at one time, and close it up. That is my position, and I hope we can do it.

I want to say to the Senator from Utah that the suggestion of the policy of clearing up a whole subject at one time came from the other side, and the committee accepted the suggestion. Therefore, we are not departing from any rule or understanding. We are simply clearing up one schedule at a time in a practical way, and I hope the Senator will not make any objection to a continuation of the debate and the final settlement of the entire question.

Mr. KING. May I say, in response to my good friend, that there was never any suggestion at all that we should bring the embargo provision up to the chemical schedule and consider it at this time. I did suggest to my good friend, the chairman of the committee, before we began the debate, that paragraphs



25 and 26 be relegated to that part of the bill where we would discuss the embargo, as I thought they might with propriety be discussed at that time, and after talking with him I so announced to the Senator from New Hampshire [Mr. Moses]. Later I talked with the chairman of the committee, and he stated that when we reached paragraphs 25 and 26 we would consider that matter, but I never did and never would assent to the proposition of discussing the embargo now, or at any time when we were discussing paragraphs 25 and 26. I want to say to the Senator that, in my opinion, it would be rather unfair to the Senator from New Hampshire to take up the embargo question now.

Mr. McCUMBER. Let me say to the Senator from Utah that the chairman will try, as far as he can, to accommodate all Senators and to carry out the general understanding. My own understanding was that when we got to the dye matter it would make very little difference whether we put paragraphs 25 and 26 over to the time we should consider the embargo provision, or should bring the embargo matter up immediately after we considered those paragraphs; but I did think we could dispose of all of them at one time. I am informed, and have had some talk with the Senator from New Hampshire myself, that if we will eliminate from this provision in paragraph 26 that which belongs to the administrative portion, he would not care even to be present when the matter was discussed.

Mr. KING. That is, when paragraphs 25 and 26 were discussed?

Mr. McCUMBER. No; as I understand, even when the embargo was discussed.

Mr. KING. I do not so understand it. I think the Senator is in error.

Mr. McCUMBER. I think not; but I will look over the Record while we are discussing paragraph 26 and the items in it, and will try to carry out what appears to be the understanding.

Mr. KING. Let me say to the Senator that the Senator from North Dakota never had any understanding from me or from this side, that we would consent to the bringing up of the embargo provision, and acting upon it when we were acting upon paragraphs 25 and 26, because I took the precaution at the beginning to state to the Senator that I would prefer that paragraphs 25 and 26 be passed over until we reached the embargo, and I never assented, nor has anybody upon this side assented, to the bringing forward of the embargo provision.

Mr. McCUMBER. I think there is sufficient in the bill to keep us busy for some time, and I have stated that I would try to accommodate all Senators. I have given them notice that we would take up and dispose of the dye proposition next, both the embargo and the other matter, but I think rather than to mislead, if that has misled any Senator, I will try my best to accommodate each Senator in the matter of considering these questions. However, I do want to look over the Record and see what the understanding was.

Mr. KING. I do not know what understanding the Senator had with others, but he had no understanding with me—

Mr. McCUMBER. I will take the Senator's word for that.

Mr. KING. Because the Senator will recall very distinctly that in the beginning I asked that paragraphs 25 and 26 go over until we reached the embargo provision. I have no objection to proceeding with paragraphs 25 and 26.

Mr. McCUMBER. I understand paragraph 25 has been disposed of.

The PRESIDING OFFICER. The present occupant of the chair is advised that the record discloses that all the committee amendments offered to paragraph 25 have been disposed of.

Mr. KING. I did not so understand.

The PRESIDING OFFICER. The Secretary will state what the record discloses as to paragraph 25.

The ASSISTANT SECRETARY. The amendments in paragraph 25 as reported by the committee have each and all been agreed to as reported.

Mr. KING. I did not so understand, and I want to move to reconsider, merely for the purpose of offering an amendment which I indicated in my remarks the other day I should offer. I want to be entirely frank with the Senator, and I say to him that I am not quite clear whether under the unanimous-consent agreement I could attack the specific rates, and if the Senator raises the point of order, I shall submit it to the Chair and take his ruling.

Mr. McCUMBER. If we can get a vote on it right away, I will ask unanimous consent that the vote by which the amendment was adopted may be reconsidered.

Mr. KING. I shall take but very few minutes, I will say to the Senator.

Mr. McCUMBER. I ask, then, that the vote by which the committee amendment, on page 10, line 17, was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection?

Mr. FRELINGHUYSEN. Reserving the right to object, I should like to ask the Senator from Utah if it is his purpose to offer an amendment to this paragraph for the record?

Mr. KING. Yes.

Mr. FRELINGHUYSEN. Does the Senator intend to take much time on it? We debated it the other night at length.

Mr. KING. Not at all. I stated to the Senator on Saturday evening that it would not take long.

Mr. FRELINGHUYSEN. I will not object, then.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that the vote by which the committee amendment, on page 10, line 17, was agreed to be reconsidered. Is there objection? The Chair hears none, and it is so ordered.

Mr. KING. I offer the following amendment: I move to insert, in paragraph 25, line 17, after the numerals "1546," the following:

Valued not above 10 cents per pound, 50 per cent ad valorem and 3½ cents per pound; valued above 10 cents per pound, 30 per cent ad valorem and 7 cents per pound.

It introduces a classification.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. KING. I reserve a separate vote in the Senate upon this and all other amendments which I have offered to these paragraphs.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The first amendment of the committee in paragraph 26 was, on page 12, line 2, to strike out "gauliacol" and to insert "guaiacol."

The amendment was agreed to.

The next amendment of the committee was, on page 12, line 6, to strike out "35" and insert in lieu thereof "60," so as to read:

and all mixtures, including solutions, consisting in whole or in part of any of the articles or materials provided for in this paragraph, excepting mixtures of synthetic odoriferous or aromatic chemicals, 60 per cent ad valorem and 7 cents per pound.

Mr. KING. I move to amend the committee amendment as follows: On line 6, page 12, in lieu of the words "60 per cent ad valorem and 7 cents per pound" I move to insert the following:

valued not above 25 cents per pound, 35 per cent ad valorem and 3 cents per pound; valued above 25 cents per pound and not above 50 cents per pound, 35 per cent ad valorem and 5 cents per pound; valued above 50 cents per pound, 35 per cent ad valorem and 7 cents per pound.

That introduces three classes. The other evening I called attention to what I conceive to be the unfair basis upon which both these paragraphs were drawn.

Mr. FRELINGHUYSEN. Has the Senator from Utah any objection to having the amendment stated at this time?

Mr. KING. None at all.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. It is proposed to strike out "60 per cent ad valorem and 7 cents per pound," on line 6, page 12, and to insert the following:

valued not above 25 cents per pound, 35 per cent ad valorem and 3 cents per pound; valued above 25 cents per pound and not above 50 cents per pound, 35 per cent ad valorem and 5 cents per pound; valued above 50 cents per pound, 35 per cent ad valorem and 7 cents per pound.

Mr. KING. I argued this question at considerable length the other evening, and I do not intend to consume any time in further presenting the facts in the case. I only want to call attention again to the situation.

In both paragraph 25 and paragraph 26 one classification of intermediates and dyes exists. Notwithstanding some dyes may be sold at 1½ cents per pound, the pre-war price, some at 2 cents, some at 6, some at 7, some at 10, and others sold at very high prices, the same rates are prescribed—the same rates as to intermediates and the same rates as to the finished products of the dyes themselves. That seems to me to be manifestly unfair. I can not see how we can justify a duty which in some instances would amount to 400 or 500 or 600 per cent, and yet a commodity allied to it, indeed akin to the same product, would bear a duty of perhaps 100 per cent. Yet we

find such incongruities in the bill now before us. The same rate is imposed upon a product the import value of which is 2 or 3 or 4 cents a pound as is imposed upon an article the import value of which may be 60 cents per pound or \$1 or more per pound.

I have no particular objection to the ad valorem except that it is too high, but it is the specific rate that I am criticizing particularly. A specific rate of 7 cents a pound upon a commodity the import value of which is 1½ or 2 or 3 cents per pound would range all the way from 200 per cent to 300 or 400 per cent. That is what I am objecting to. It does seem to me that these articles lend themselves to a logical, to a proper, indeed to a scientific, classification. Many of the dyes, as we know, are cheap. Many of them, as we know, are costly. We have introduced into the other schedules varying rates depending upon a multitude of conditions. We say that some articles are luxuries, and we impose a much higher rate than we do upon articles which are much cheaper and which may be more commonly and universally used. I called attention the other evening to the fact that certain dyes—indigo, sulphur black, and others—are comparatively cheap and that their use is extensive. Now, to impose a 7-cent specific duty upon dyes or intermediates of a value of 1, 2, 3, 4, or 5 cents per pound and the same specific upon dyes that cost \$1 a pound to me seems to be wholly unjustifiable.

Mr. President, I will be willing to take a vote.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. KING. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and I vote "yea." I ask that this announcement of the transfer of my pair may stand for the day.

Mr. SIMMONS (when Mr. OVERMAN's name was called). I wish to announce that my colleague [Mr. OVERMAN] is unavoidably absent. He is paired with the senior Senator from Wyoming [Mr. WARREN]. If my colleague were present, he would vote "yea."

Mr. SUTHERLAND (when his name was called). Transferring my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Oklahoma [Mr. HARRELD], I vote "nay."

Mr. UNDERWOOD (when his name was called). I am paired with the senior Senator from Massachusetts [Mr. LODGE], who is unavoidably absent. I transfer my pair to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WARREN (when his name was called). I transfer my general pair with the junior Senator from North Carolina [Mr. OVERMAN] to the senior Senator from Pennsylvania [Mr. CROW]. I ask that this transfer may stand for the day. I vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], which I transfer to the junior Senator from South Dakota [Mr. NORBECK], and vote "nay."

The roll call was concluded.

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Oregon [Mr. STANFIELD], and vote "nay."

Mr. DIAL. I transfer my pair with the senior Senator from Colorado [Mr. PHIPPS] to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. JONES of Washington (after having voted in the negative). I understand that the senior Senator from Virginia [Mr. SWANSON] has not voted. He is necessarily absent, and I promised to take care of him with a pair. However, I find I can transfer my pair to the junior Senator from New York [Mr. CALDER], which I do, and allow my vote to stand.

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the senior Senator from New Hampshire [Mr. MOSES], and vote "nay."

Mr. BALL. I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to the senior Senator from Kansas [Mr. CURTIS], and vote "nay."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I observe that he has not

voted. I transfer my pair to the Senator from Illinois [Mr. MCCORMICK], and vote "nay."

Mr. McKINLEY (after having voted in the negative). I transfer my general pair with the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Maryland [Mr. FRANCE], and allow my vote to stand.

Mr. JONES of Washington. I wish to announce the unavoidable absence of the senior Senator from Kansas [Mr. CURTIS]. He stands paired on this vote with the Senator from Florida [Mr. FLETCHER].

The result was announced—yeas 18, nays 40, as follows:

#### YEAS—18.

Ashurst	Jones, N. Mex.	Pomerene	Underwood
Dial	King	Sheppard	Walsh, Mont.
Harris	La Follette	Simmons	Watson, Ga.
Harrison	Norris	Smith	
Heflin	Pittman	Stanley	

#### NAYS—40.

Ball	Edge	McKinley	Shortridge
Brandegge	Ernst	McLean	Smoot
Broussard	Frelinghuysen	McNary	Spencer
Bursum	Hale	Nelson	Sterling
Cameron	Jones, Wash.	Newberry	Sutherland
Capper	Kellogg	Oddie	Townsend
Colt	Kendrick	Page	Wadsworth
Commins	Ladd	Pepper	Warren
Dillingham	Lenroot	Poinexter	Watson, Ind.
du Pont	McCumber	Ransdell	Willis

#### NOT VOTING—38.

Borah	Gerry	Moses	Robinson
Calder	Glass	Myers	Shields
Caraway	Gooding	New	Stanfield
Crow	Harrell	Nicholson	Swanson
Culberson	Hitchcock	Norbeck	Trammell
Curtis	Johnson	Overman	Walsh, Mass.
Elkins	Keyes	Owen	Weller
Fernald	Lodge	Phipps	Williams
Fletcher	McCormick	Rawson	
France	McKellar	Reed	

So Mr. KING's amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment passed over will be stated.

The next amendment passed over was, on page 12, line 19, after the word "act," to strike out the words "no package containing" and to insert "it shall be unlawful to import or bring into the United States."

The amendment was agreed to.

Mr. KING. Mr. President, may I inquire of the Senator having the bill in charge if he is ready to offer the amendment which he indicated?

Mr. McCUMBER. To strike out a portion of the next committee amendment? Yes.

Mr. KING. Would not that involve the amendment which has just been read by the Secretary?

Mr. McCUMBER. I think not. But, Mr. President, if we may take a moment, not taking the amendments up in their regular order, I ask at this time that the Senate reject the portion of the committee amendment beginning with the word "Provided," in line 15, on page 14, and going down to and including line 16, on page 15.

In explanation I will simply state that the proviso covers the importation of goods on which there is a trade-mark held or supposed to be held by American manufacturers. Whether it is important to insert such a provision in a tariff bill I am not prepared at this time to say definitely, but I am quite certain that in the form in which it is herein written it ought not to be inserted at any place in the bill except in the administrative provisions, and not even there without a very material amendment to it. Therefore, without prejudicing any right to bring the matter up in some form in the administrative provisions, but certainly not with my consent in the form in which it is now written, I ask that that portion of the committee amendment which I have indicated may be disagreed to.

The VICE PRESIDENT. The amendment proposed by the Senator from North Dakota to the committee amendment will be stated.

The ASSISTANT SECRETARY. On page 13, line 13, beginning with the word "particular," the Committee on Finance proposes to strike out down to and including the numerals "1546," in line 23, and to insert the words printed in italics from that point down to the end of line 16, on page 15.

The Senator from North Dakota now proposes from the portion proposed to be inserted, after the numerals "1546," on page 14, line 15, to strike out the proviso.

Mr. KING. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.



Mr. KING. I desire before this paragraph is finally disposed of to move to strike out lines 11, 12, 13, 14, and 15, down to the word "Provided," which is included in the committee amendment.

The VICE PRESIDENT. The Senator from Utah will have a right to offer his amendment to the amendment after the pending amendment to the amendment shall have been disposed of.

Mr. KING. I have no objection to taking a vote on the amendment to the committee amendment.

The VICE PRESIDENT. The question, as the Chair understands, is on the amendment of the Senator from North Dakota [Mr. McCUMBER] to the committee amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment as amended.

Mr. KING. On page 14 I move to strike out lines 11, 12, 13, 14, and 15 of the committee amendment.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah to the committee amendment, which will be stated.

The ASSISTANT SECRETARY. In the committee amendment, on page 14, after line 10, it is proposed to strike out:

*Provided further, That any article or product which is within the terms of paragraphs 1, 5, 35, 37, 56, 63, 79, or 1578, as well as within the terms of paragraphs 25, 26, or 1546, shall be assessed for duty or exempted from duty as the case may be under paragraphs 25, 26, or 1546.*

Mr. KING. Mr. President, just a word. It was developed during the discussion the other day that the lines which I have moved to strike out sought to take from various other provisions of the bill the articles therein referred to and to subject them to the rates of duty that are found in this paragraph provided that any of the compounds were derived from coal tars or from any of their derivatives.

I call attention to the fact that medicines and pharmaceuticals that are found in paragraphs 1, 5, 35, 37, 56, 63, 79, and perhaps in paragraph 1578 bear in those particular paragraphs in which they were found a lower rate of duty than that which is prescribed in paragraph 26. This proviso is for the purpose of taking those particular medicines and medicinal compounds and pharmaceuticals out of those paragraphs, where the average duty, perhaps, is 20 or 25 per cent ad valorem, possibly in some instances higher, and fastening upon them higher rates of duty than would otherwise apply.

The question is this: Is it fair and just and right to establish two different rates of duty for the same character of compounds that bear the same name, have the same therapeutic effect, and are used for the same purpose, and are known by the trade, perhaps, by the same name, and to subject those medicines and compounds to different rates of duty simply because one may be made from coal-tar products or from coal-tar derivatives and others from natural products? I submit that it is unfair and can not be defended; and yet this provision is aimed directly at the accomplishment of that end. If my amendment shall prevail, then those paragraphs which we have considered and which deal with those medicine compounds will bear the same duty that we understood they would bear when we voted upon them. If we adopt the amendment offered by the committee, then, of course, we increase the duties upon some of those products upon which we have already voted and as to which we have understood the rate of duty was fixed. We are making a sort of a pet of the coal-tar products, the by-products of the coke oven. We are saying to two individuals, one of whom manufactures medicines out of natural products and another manufactures the same class of medicines out of coal-tar products, we will differentiate in favor of the latter, so that the man who manufactures certain products used in medicines out of coal tar shall have a higher rate of duty than the individual who manufactures the same kind of a medicine out of some natural product. I can not find any justification for it, and therefore I have offered the amendment to which I have called attention. I presented this matter very fully the other day in the discussion of paragraphs 25 and 26, and I do not care to further elaborate the subject.

Mr. SMOOT. Mr. President, I merely wish to state what I said the other night as to why this provision was put in the bill. The Tariff Commission called attention to the necessity of it, as will be found on page 83 of the Summary of Tariff Information, which I am not going to take the time of the Senate now to read. However, the paragraphs mentioned refer to acids, chemicals, ethers, esters, flavoring extracts, perfumes, colors, compounds of crude oil tar, and explosives not specially provided for.

Would it be fair not to provide a duty upon those articles if they are from coal tar or derivatives of coal tar? The para-

graphs enumerated seek specifically to provide for these items where they are not derived from coal tar. There must not be a conflict here, and therefore it is absolutely necessary to include them in this paragraph. They are not provided for in any other part of the bill; but they are provided for in the paragraphs having reference to coal-tar derivatives, and are to be assessed as provided in paragraphs 25 and 26, one of which has reference to intermediates and the other to coal-tar products themselves. Why? Because they are derivatives of coal tar; and chemicals, ethers, esters, perfumes that are derived or produced from coal tar ought to fall in the paragraph in which coal-tar products are taken care of. That is why the particular paragraphs are enumerated in paragraph 26, and why the commodities referred to have imposed upon them the rates of duty provided in that paragraph.

Mr. KING. Mr. President, if I understand my colleague—and perhaps I did not fully comprehend his statement—from paragraph 5, which reads—

all chemical elements, all chemical salts and compounds, all medicinal preparations, and all combinations and mixtures of any of the foregoing, all the foregoing obtained naturally or artificially and not specially provided for, 25 per cent ad valorem—

There are to be excepted those products which are manufactured from coal tar or its derivatives. It appears that, unless there are imported into that paragraph the words "coal tar or derivatives of coal tar," the construction placed upon it by my colleague must be wrong.

Mr. SMOOT. No. It says in each one of those paragraphs "not specially provided for"; and therefore, just as my colleague has said, the articles which are specially provided for are transferred to paragraph 26, and they are to be assessed on the basis of paragraphs 25 and 26. The reason of that is that they are derived from coal tar. Those that are not derived from coal-tar products are taken care of in each one of the paragraphs named in the amendment, namely, paragraphs 1, 5, 35, 37, 56, 63, 79, 156, 146.

My colleague is right in the statement that the rates are higher under paragraph 26 than under the other paragraphs, because of the very fact that the products are derived from coal tar. If that industry is to be protected as a whole, then it is proper that articles derived from coal tar should fall in this paragraph, no matter what the rate is upon other items in the bill. The derivatives of coal tar, whether they be chemicals or whether they be ethers or esters or perfumes or colors not specially provided for, ought to fall in this paragraph. As to the rate, as I said the other night to my colleague, I have not been discussing that at all.

Mr. KING. Mr. President, I agree entirely with what the Senator from Utah states that the provision we are now discussing, which is involved in my amendment, is intended to place all medicines, flavoring extracts, and various other products which are derived from coal tar or any of its derivatives in this paragraph for the purpose of fixing the rate of duty.

That is what I am complaining about. Take paragraph 35, under the head of "ethers and esters." It provides that diethyl sulphate and dimethyl sulphate shall bear a rate of duty of 15 cents per pound; ethyl acetate, 3 cents per pound; ethyl chloride, 15 cents per pound; ethyl ether, 4 cents per pound; and ethers and esters of all kinds not specially provided for, 30 per cent ad valorem.

Mr. SMOOT. But that does not change any of the items that the Senator has just read.

Mr. KING. I agree with the Senator.

*Provided, That no article containing more than 10 per cent of alcohol shall be classified for duty under this paragraph.*

It is possible that there may be ethers and esters that are the products of coal tar or some of the derivatives of coal tar. There are other paragraphs here; for instance, there are explosives that may be manufactured from certain products, not coal tar or the derivatives of coal tar, and they bear a certain rate of duty; but if the explosives are manufactured in part from coal tar or the derivatives of coal tar, then a different rate of duty is prescribed. The senior Senator from Utah is correct in stating that the provision now under consideration is intended to impress upon all those commodities the same rates that are found in paragraph 26, notwithstanding the fact that other commodities may be manufactured from other products than coal tar or its derivatives and bear a lesser rate of duty.

It is simply, as my colleague says, a question of policy: Shall we discriminate? Shall we say to the man who is engaged in the manufacture of any of these products out of coal tar or any of the derivatives of coal tar, "We are going to give you an advantage. You are a particular pet of the Government, and

we will permit you to enjoy a higher rate of duty than we give to other persons and to other manufacturers?"

That is all there is to this amendment. I insist that the same commodity, the same product, whether it come from coal tar or a derivative of coal tar or some natural product, shall bear the same rate of duty, no higher and no lower, than if it were derived from some other product. In other words, let us treat all commodities of the same character that serve the same purpose, that are applied to the same end, in the same way. Let us impose the same rate of duty upon explosives, whether they are made from the products of coal tar or whether they are made from some other base or primary compound.

I insist that medicines, such as salol, phenacetine, acetanilid, aspirin, and so forth, that may be made from coal tar shall bear the same rate of duty that they would bear if they were made from some other primary compound; but we propose, as I state, to lift them out of the other paragraphs if they are the product of coal tar, and subject them to a higher rate of duty. I think it is manifestly unfair, that it is giving to the manufacturers who are engaged in the coal-tar product business an advantage over those who may be engaged in the production of the same products from other primary compounds.

Mr. SMOOT. Mr. President, let me suggest to my colleague that the discrimination would be the other way about. Why should we give a certain rate upon coal-tar products as found in paragraphs 25 and 26 and take out these little items that are coal-tar products and put them somewhere else? That is where the discrimination comes. Why should one manufacturer, manufacturing articles from coal tar, have one rate of duty, and then, because he made an ester or an ether, why should it be taken out and put somewhere else? All of the items manufactured from coal-tar products ought to fall in one paragraph, as I have already said; and unless they do there is a discrimination between the manufacturer who makes products from coal tar and the manufacturer who makes them from other bases.

It seems to me this is the only logical way to write a bill. As I said before, as to the rates, that is another matter.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. KING. Mr. President, I move to strike out, on line 9, page 14, the word "lowest" and insert in lieu thereof the word "highest," so that it will read:

That if a dye or other article was or is ordinarily used in more than one commercial strength, then the highest commercial strength shall be adopted as the standard of strength for such dye or other article.

Mr. McCUMBER. Will the Senator repeat where his amendment is?

Mr. KING. On page 14, line 9, strike out the word "lowest" and insert the word "highest."

I called attention the other day, when we were engaging in a general discussion of paragraphs 25 and 26, to the fact that before the war, and now, dyes are imported in different standards of strength. I suggested that it would perhaps result in the imposition of exceedingly high rates of duty if we committed to the Treasury Department the authority and the power to apply different specific rates, or, rather, to double or treble the specific rates, as may be done under this provision.

Assume that a given dye has been imported in the past under two standards of strength, 20 per cent and 40 per cent. Assume that the overwhelming majority of that particular product came in under the 40 per cent standard. Nevertheless, if the lesser standard was sufficiently used to enable it to be said that it was commercially used, the Treasury Department under this bill might adopt that lower standard, and in that event would apply a 14-cent specific rate to the product, adopting the lower as the basis of the application of the specific rate. I suggested that that was manifestly unfair, and it seems so to me now.

I therefore have offered the amendment to fix the highest rate where it was commercially used as the standard for the application of the specific rate. If the highest standard was 80 per cent pure, then 80 per cent pure will be the standard now for attaching this specific rate of 7 cents per pound. If the highest standard was 60 per cent, then that would be the one which would govern in the future; but where there have been varying standards obviously it would lead to confusion, and I make the prediction now that if the bill shall pass in this form there will be not only confusion but litigation as the result of the particular provision now under consideration.

Mr. SMOOT. Mr. President, if the amendment is agreed to, I can think of a great many cases where it would be most unjust.

Some lines of business can only use these dyes in a paste form. In other words, they are not prepared to take the powdered form and make it into a paste and do it successfully and do it economically. The other evening I gave a history of the manufacturing of the pastes as originally turned out from the plants, and then improvements being made by producing the same article not in paste form but in powdered form, thus obviating the shipping of the water—for that is all there is in the paste—from a foreign country to all parts of the United States where they use the article. Therefore it was unjust; and if we put it now upon the highest strength, every institution in the United States that could not use the powdered form, but was required under its conditions to use the liquid form, would have to pay, perhaps, 20 per cent more duty, 30 per cent more duty, or 50 per cent more duty. If a paste was 40 per cent and a powdered form was 90 per cent, and the man could not use the powdered form but had to use the liquid form, he would be penalized for that reason.

Whatever rate is established ought to be established upon the lowest standard strength, and then everyone who wanted to use the lowest could use it; and when a man used a higher strength, whether it was a double-strength paste or whether it was in powdered form, he would pay exactly the same rate.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. Yes.

Mr. KING. I have no objection to that, providing you will strike out the provision which ties the bill to antecedent conditions. If it will apply to matters in futuro, then the argument of my colleague is sound; but the proposition is to go back to the past and take the precedents from the past as the basis for the standardization, whereas we know, as my colleague stated the other evening, that in the past there were various standards, high and low, and if we should take the lowest standard then existing and import it into the present and the future and base the rates upon that lowest standard, obviously there will be many injustices. If, however, we declare that the lowest commercial standard in the future shall govern, then I think my colleague's argument is sound.

Mr. SMOOT. Now, let me call my colleague's attention to the fact that they all fall in this same bracket now, developed since the war or during the war, and most of them have been developed during the war. There were very few coal-tar products that were developed before the war that come in either paste form or powdered form. I mentioned a few of them the other night. The great line of these articles has been developed during the war, and there can then be no conflict in passing this bill.

Mr. KING. Mr. President, if my colleague will strike out the words "was or," I will withdraw my amendment. Then it will read:

That if a dye or other article is ordinarily used in more than one commercial strength.

If my colleague will do that, so that it will apply in futuro, I have no objection; but if you go back 5, 10, or 15 years, as you may under this bill, beyond the period of the war, it does seem to me that manifest injustices may be done.

Mr. SMOOT. I can not see it that way. I very much prefer to take the lowest strength and have a rate apply to that, because if you do not do it you are bound to get into litigation. You can not keep away from it. If you take the highest strength as the basis every shipment that comes in below that strength would have to pay the higher rate, and that would be unfair. The highest strength, when it is perfected, is found in the powdered form, and everybody who would use it other than in the powdered form, as I have already said, would be penalized, and I do not think that would be right. The rate ought to be based upon the lower strength, and then, of course, built up to the higher strength.

Mr. KING. I agree with what my colleague says, that there would be some injustice if the amendment which I have offered should prevail; but I have measured the injustices which would arise under that amendment if it should prevail with the injustice which will arise if the committee amendment prevails, and from all the information I can obtain, the injustices would be less in the former than in the latter case.

I concede that a rate based on the highest standard might be quite oppressive upon some of the importers, whereas the adoption of a rate based on the lowest would relieve them, but it would impose burdens upon a larger number of individuals, because from all I can learn a great majority of those who have imported have not imported the lowest standard, but what might be denominated an intermediate standard, and the imposition of the rates based upon the lowest standard would merely mean, not a 7-cent specific but a 14-cent specific, and possibly a 21-cent specific rate, so that the bill as reported, in my opinion,



will impose a 14-cent specific rate, or a 21-cent specific rate in many instances, instead of a 7-cent specific.

Mr. SMOOT. I take it for granted that my colleague has not had his attention called to the first part of this paragraph, or he would know that we would have to use the words "was or is" in order to cover both sections. It provides:

*Provided further,* That in the enforcement of the foregoing provisos in this paragraph the Secretary of the Treasury shall adopt a standard of strength for each dye or other article which shall conform as nearly as practicable to the commercial strength in ordinary use in the United States prior to July 1, 1914.

That is prior to the war. Then it goes on:

That if a dye or other article has been introduced into commercial use since said date, then the standard of strength for such dye or other article shall conform as nearly as practicable to the commercial strength in ordinary use.

That only applies, as I said, to the articles which have been developed since the beginning of the war; and then, of course, using those two standards, we say:

If a dye or other article was—

That is, before the war—

or is ordinarily used in more than one commercial strength, then the lowest commercial strength shall be adopted as the standard of strength for such dye or other article.

So I think my colleague will notice now that we have to use the words "was or is."

Mr. KING. We would have to amend, and I intended to suggest an amendment in line 3 to deal with that question. I think my colleague now concedes, however, that under the amendment tendered by the committee the period prior to the war could be resorted to for the purpose of determining the standard.

Mr. SMOOT. That is, as to articles "in ordinary use in the United States prior to July 1, 1914." I will say to the Senator that there were very few of them.

Mr. KING. Prior to the war?

Mr. SMOOT. Yes; prior to the war; and I know of only one or two that are made now in powdered form. Of course, that is the highest strength.

Mr. KING. Let me say to the chairman of the committee that I shall withdraw my amendment, with the understanding that later, upon further consultation with those who are familiar with this matter—dye men, manufacturers, and importers—if the conditions to which I have referred should be found to exist, I may renew my motion.

Mr. SMOOT. I want to call the Senator's attention to one other matter, so that he can give it consideration at the time he takes this up for further study. The Senator will notice that we use the words "ordinary use." Those words are used for the reason that if a sample of very low strength were sent over from a foreign country to America for a special purpose, it never would be taken as the basis of imposing a tax. It would have to be ordinarily used in the United States.

Mr. KING. For commercial purposes?

Mr. SMOOT. For commercial purposes.

Mr. KING. I understand that, and that is the reason why I stated it would lead to confusion and perhaps to litigation, because the phrase "ordinary use" is a very elastic term. Is it "ordinary use" in Boston, "ordinary use" in Philadelphia, "ordinary use" in some textile plants, or "ordinary use" where? If it is a small community or a small State, with a homogeneous population, or a limited area, in which the textile interests are located, then it would not be susceptible of so much confusion or controversy.

Mr. SMOOT. It could not lead to any confusion on the part of the manufacturers, because all of these items are sold and advertised, and the trade know them just as well as they know what sugar is or what flour is, or what anything else is. There is no more trouble with it than with the three grades of flour.

The next amendment was, on page 12, line 19, after the word "act," to strike out "no package containing" and to insert "it shall be unlawful to import or bring into the United States"; and in line 22, after the word "compound," to strike out "shall be admitted to entry into the United States unless such package" and to insert "unless the package, case, or container," so as to make the additional proviso read:

*Provided further,* That beginning six months after the date of passage of this act it shall be unlawful to import or bring into the United States any such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound, unless the package, case, or container, and the invoice shall bear a plain, conspicuous, and truly descriptive statement of the identity and percentage, exclusive of diluents, of such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound contained therein.

The amendment was agreed to.

The next amendment was, on page 13, line 5, after the word "act," to strike out "no package containing any such article

shall be admitted to entry into the United States if it or the" and to insert "it shall be unlawful to import or bring into the United States any such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound if the package, case, or container, or the"; in line 11, before the word "article," to strike out "such" and to insert "the"; and, in line 13, after the word "any," to strike out "particular; in the enforcement of the foregoing provisos the Secretary of the Treasury shall adopt a standard of strength for each dye or other article which shall conform as nearly as practicable to the commercial strength in ordinary use in the United States prior to July 1, 1914: *Provided further,* That any article or product which may come within the terms of other paragraphs of this act, as well as within the terms of paragraphs 25, 26, or 1546, shall be assessed for duty or exempted from duty, as the case may be, under paragraphs 25, 26, or 1546," and to insert "particular," so as to make the additional proviso read:

*Provided further,* That on and after the passage of this act it shall be unlawful to import or bring into the United States any such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound if the package, case, or container, or the invoice bears any statement, design, or device regarding the article or the ingredients or substances contained therein which is false, fraudulent, or misleading in any particular.

Mr. KING. I would like to inquire of the chairman of the committee whether an effort is made in the case of other products to interdict the importation under penalty, unless the container or the receptacle states clearly contents of the package or the receptacle and the information which is sought by this amendment. Is this a discrimination against the dye products which are imported?

Mr. McCUMBER. I understand that is done, but the Senator will understand why we make the change here. It is a question merely of making the entry. As it came over from the House, the bill simply provided against making the entry. The entry, of course, covers filing the inventory, and so forth. This makes it unlawful to import misbranded articles, so that there can be no possibility of not knowing what is intended. It makes it an illegal act to import or bring them into the country, and not merely the fact of making an entry, which is not bringing the article in at all, but simply filing your inventory of an intended bringing in of the article itself.

Mr. KING. What I meant to inquire about was this: Are dye products treated differently from any other products which are imported? Do you make it unlawful, for instance, to import other products than coal-tar products "if the package, case, or container, or the invoice bears any statement, design, or device regarding the article or the ingredients or substances contained therein which is false, fraudulent, or misleading in any particular?"

Mr. McCUMBER. That, of course, is general. That is made to apply, I think, to every article in the other paragraphs or schedules.

Mr. KING. That is what I am inquiring. You do not single out dyes and make it illegal or unlawful to import them with a misleading brand, and let other articles imported into the United States under misleading brands be immune from the penalty here provided?

Mr. McCUMBER. I think we have a general rule which prevents anything that is misleading or fraudulent from being brought in.

Mr. SMOOT. I think if the Senator will look at sections 590 to 592 he will find that they provide for "false drawback" claim, and that, of course, is an entry for a drawback. That is provided in the administrative features of the bill.

Mr. KING. I have no particular objection if a general provision shall be inserted in the bill making it unlawful to import commodities into the United States which are falsely branded.

Mr. McCUMBER. I may not be able to turn to it at the moment, but in the administrative provisions we have sufficiently guarded against fraudulent statements of the contents of packages, and so forth.

Mr. KING. That was my understanding, and that is the reason I wondered why you should specifically insert this language in this paragraph. There would be just as much reason to insert a similar provision in another paragraph.

Mr. McCUMBER. The Senator will notice that it is inserted here, because above that the House provision is:

the invoice shall bear a plain, conspicuous, and truly descriptive statement of the identity and percentage, exclusive of diluents, of such color, dye—

And so forth.

Therefore we inserted a provision against this being imported unless it complied with what was in that particular

provision. Possibly it was not necessary to repeat it there. It may be; but I think it is equally covered in other sections.

Mr. SMOOT. The reason why it was put in this paragraph was more particularly because of the standard of strength being provided for. Here we gave a standard of strength, and therefore it applies more to that than to the general provision. The general provision will be found in section 591.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. FRELINGHUYSEN. I ask leave to insert at this point the statement of the Tariff Commission on the label feature, which gives the full explanation as outlined by the chairman of the committee.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### LABELING FEATURE.

The United States Tariff Commission, in its report dated December 12, 1918, "Dyes and other coal-tar chemicals," states:

"It is suggested that all imports of dyes shall be required to bear a plain, conspicuous, and truly descriptive statement of the identity and percentage of the dye contained therein, and that if false, fraudulent, or misleading statements are contained on the package or the invoice therefor the goods shall not be permitted to enter."

"\* \* \* Therefore the requirement that the identity and percentage shall be disclosed will greatly facilitate the assessment of both the ad valorem and specific duties."

"\* \* \* Incidentally, this provision for the truthful labeling of dyes will protect the consumers of dyes against fraud and the American manufacturers of dyes against unfair competition from foreign manufacturers. It is a notorious fact that unfair methods of competition, such as bribery of purchasing agents, adulteration, and misbranding, have been especially prevalent in the dye industry."

The VICE PRESIDENT. This completes the paragraph.

#### EXTENSION OF NATIONAL-BANK CHARTERS.

Mr. KELLOGG. I ask the Chair to lay before the Senate the action of the House of Representatives on the amendments of the Senate to House bill 9527.

The PRESIDING OFFICER (Mr. ASHURST in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KELLOGG. As the House has disagreed to the Senate amendments and appointed conferees, I ask the Senator from Utah [Mr. KING] if he will not now ask consent to withdraw his motion and allow the conferees to be appointed?

Mr. KING. Mr. President, as I indicated the other day, this bill was passed during my absence. I have been opposed, and still am opposed, to granting charters for such a length of time as provided in this bill. The present law grants charters for a period of 20 years. The bill as it passed the House gave perpetual charters to national banks. The Senate committee have amended it, and have granted charters for 99 years. I have understood that an agreement was reached by which the limit would be fixed at 50 years; but, at any rate, the bill has been passed, as I have stated, with a 99-year limit.

I submitted the other day a motion to reconsider the vote by which the Senate had passed the bill in the form I have stated. I have spoken with a number of Senators who I thought shared the view which I entertained, that 50 years was the maximum limit which they would support.

They have acceded to the action of the Senate, and are supporting the bill which grants charters for 99 years. In view of that position, and owing to the fact that there are only a very few of us who take the view which I have expressed, I have consented to withdraw the motion to reconsider, but with the understanding that when the conference report is submitted we may then have a record vote upon the matter.

I therefore ask consent to withdraw the motion to reconsider. The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and the motion to reconsider is withdrawn.

Mr. KELLOGG. I move that the Senate insist on its amendments and agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CALDER, Mr. SHORTRIDGE, and Mr. GLASS conferees on the part of the Senate.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions

of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7864. An act providing for sundry matters affecting the Naval Establishment; and

H. R. 8996. An act to amend paragraph 440, section 5211, act of June 3, 1864.

#### ENROLLED JOINT RESOLUTION SIGNED.

The message further announced that the Speaker of the House had signed the enrolled joint resolution (H. J. Res. 339) making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill., and it was thereupon signed by the Vice President.

#### HOUSE BILLS REFERRED.

The following bills were each read twice by title and referred as indicated below:

H. R. 7864. An act providing for sundry matters affecting the Naval Establishment; to the Committee on Naval Affairs.

H. R. 8996. An act to amend paragraph 440, section 5211, act of June 3, 1864; to the Committee on Banking and Currency.

#### EXTENSION OF WAR FINANCE CORPORATION.

Mr. SMOOT. I ask the Chair to lay before the Senate the amendment of the House to Senate bill 2775.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921, which was to strike out all after the enacting clause and insert:

"That the time during which the War Finance Corporation may make advances and purchase notes, drafts, bills of exchange, or other securities under the terms of sections 21, 22, 23, and 24 of the War Finance Corporation act, as amended, is hereby extended up to and including May 31, 1923: *Provided*, That if any application for an advance or for the purchase by the War Finance Corporation of notes, drafts, bills of exchange, or other securities is received at the office of the corporation in the District of Columbia on or before May 31, 1923, such application may be acted upon and approved, and the advance may be made or the notes, drafts, bills of exchange, or other securities purchased at any time prior to June 30, 1923."

Sec. 2. That the second paragraph of section 12 of title 1 of the War Finance Corporation act, as amended, be further amended to read as follows:

"The power of the corporation to issue notes or bonds may be exercised at any time prior to January 31, 1926, but no such notes or bonds shall mature later than June 30, 1926."

Sec. 3. That paragraph 3 of section 15 of title 1 of the War Finance Corporation act, as amended, be amended by striking out at the beginning of said paragraph the words "beginning July 1, 1922," and inserting in lieu thereof the words "beginning July 1, 1923."

That paragraph 4 of said section 15 be amended by striking out at the beginning of said paragraph the words "After July 1, 1922," and inserting in lieu thereof the words "After July 1, 1923."

Mr. SMOOT. I can state in just a few words what the change is. This is a Senate bill, and the House has passed a substitute bill making one change. Under the act of August 24, 1921—

The power of the corporation to issue notes or bonds may be exercised at any time prior to January 1, 1925, but no notes or bonds shall mature later than July 1, 1925.

The House has changed that to June 30, 1926, extending the power of the commission for one year.

I move that the Senate agree to the House amendment.

The motion was agreed to.

#### DEDICATION OF MONUMENT TO FRANCIS SCOTT KEY.

The VICE PRESIDENT. In the sundry civil appropriation act of March 4, 1921, there is a provision for the dedication of the monument to Francis Scott Key at Fort McHenry, Baltimore, directing the President of the Senate to appoint three Senators to represent the Senate on that occasion. The dedication ceremonies will occur on the afternoon of June 14. The Chair appoints the Senator from Maryland, Mr. FRANCE, the Senator from Pennsylvania, Mr. PEPPER, and the Senator from Nevada, Mr. PITTMAN, the committee on the part of the Senate.

#### PETITIONS.

Mr. BALL presented a petition of the Kalorama Citizens' Association, of Washington, D. C., relative to the fiscal relations of the District of Columbia, which was referred to the



Committee on Appropriations and ordered to be printed in the RECORD, as follows:

KALORAMA CITIZENS' ASSOCIATION,  
Washington, D. C.

The undersigned officers of the Kalorama Citizens' Association, at a meeting of the association held on May 16, 1922, were empowered and directed to present to the two Houses of Congress the following petition:

Petition.

The Kalorama Citizens' Association, of Washington, D. C., respectfully request that a hearing be accorded to the citizens of the District of Columbia before action is taken by Congress on the conference report on the District of Columbia appropriation bill, or on the amendment of the House of Representatives to the amendment of the Senate on said bill, revolutionizing the fiscal relations between the Federal Government and the District of Columbia on the ground—

1. That while they have no vote and therefore no potent voice in their own affairs, yet, in a spirit of fair play and in conformity with the traditions of Anglo-Saxon government, they have at least the right to be heard before there is imposed upon them, suddenly and without notice, a complete change in their system of taxation which may lead ultimately, if it is not designed presently, to onerous and unbearable burdens.

2. That it has not been shown that property generally in the District is underassessed or not adequately taxed; indeed, the last expression on this subject, emanating from Congress itself, is found in the report of the joint committee of Congress appointed in the Sixty-fourth Congress (1915), which, after an exhaustive investigation, reported:

"We find from the evidence of fair-minded men, residents of Washington, familiar with real-estate values in general, that the present assessment for taxation is fair and reasonable."

"That, taken as a whole, the assessments made against all classes of property in the different locations in the city are equitable."

"The committee believes that, independently of the question of what should be the proper subjects of taxation in the District of Columbia, the payment of taxes on real estate from the assessments as they are now constituted is a fair and reasonable response in such taxation for municipal benefits received by the citizens of the District of Columbia."

3. That whatever inequalities may be alleged to exist as between the Federal Government and the District of Columbia under the present arrangement, the citizens of Washington are in nowise to blame, as their affairs are completely in the hands of Congress and they should not be penalized if Congress has made a mistake in the past.

4. That owing to conditions growing out of the war thousands of people of humble means have been compelled to purchase houses on the installment plan, and the proposed increase in the assessment and in the burden of taxation will work a great hardship on thousands of them, upon many of whom, indeed, quite generally throughout the city, a strong feeling of resentment and dissatisfaction has been provoked at the contemplated action.

5. That if it is desired to place the District on a cash basis—and it is not the fault of the citizens of the District that it is not on a cash basis—the object can be accomplished by giving the District credit for accumulated District tax money now in the Federal Treasury, upon which no interest has been paid, and by providing for the payment of taxes in installments earlier in the year than at present.

6. That it is unjust to deprive the District in part of sources of revenue which in every city in America are devoted exclusively to municipal purposes, such as receipts from licenses, fines, permits, etc., and to cover a portion of such receipts in the general fund of the Treasury.

7. That the present tax on intangibles, which is largely a conscience tax and therefore inequitable, is believed to compare favorably in revenue derived and in the rigor of its terms with similar taxes in most of the States, and no increase is justifiable.

Your petitioners request the Congress to bear in mind that the citizens of the District contribute their full share of national taxation, the amount paid by them exceeding the amounts paid by a number of the States, and that while the citizens of the States contribute a few cents per capita to the maintenance and upbuilding of the Nation's Capital, the citizens of the District contribute probably as much per capita to Federal works and improvements carried on in the respective States, such as good roads, agricultural colleges and extension work, public buildings, rivers and harbors, etc. When the Federal District was created the property holders therein donated half of their property to the Federal Government, while the Federal Government has donated millions upon millions of dollars to various States on their admission into the Union in the form of public lands and otherwise.

A. COULTER WELLS,  
President Kalorama Citizens' Association.  
EDW. R. WALTON, JR.,  
Secretary Kalorama Citizens' Association.

Mr. CAPPER presented a resolution of the Delphos Farmers' Union, of Delphos, Kans., protesting against the passage of the so-called Jones-Green ship subsidy bill, which was referred to the Committee on Commerce.

He also presented a resolution of the Irving Parent-Teachers' Association of Kansas City, Kans., favoring the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. NEWBERRY presented a petition of sundry citizens of Fergus, St. Charles, Chesaning, Saginaw, and Hemlock, all in the State of Michigan, praying for the imposition in the pending tariff bill of a duty of \$2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

Mr. WILLIS presented the petition of Adam Fischer, of Sylvania, and sundry other citizens of Sylvania, Ottawa, Berkey, Metamora, and Dundee, all in the State of Ohio, and Riga, Mich., praying for the imposition in the pending tariff bill of a duty of \$2 per 100 pounds of Cuban sugar, which was referred to the Committee on Finance.

Mr. TOWNSEND presented resolutions adopted by the Presbytery of Lake Superior Presbyterian Church, at Sault Ste. Marie, Mich., favoring amendments to the Constitution provid-

ing for uniform marriage and divorce laws and prohibiting polygamy, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Battle Creek, Mich., praying that only a moderate duty on kid gloves be imposed in the pending tariff bill, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of New Lathrop, Mich., praying for the imposition in the pending tariff bill of a duty of \$2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

REPORTS OF THE COMMITTEE ON CLAIMS.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment, and submitted reports thereon:

A bill (H. R. 5668) for the relief of Cora T. Dering (Rept. No. 747);

A bill (H. R. 8767) for the relief of F. E. Taylor and B. C. Broom (Rept. No. 748); and

A bill (H. R. 9069) for the relief of William H. Slaine (Rept. No. 749).

ENROLLED BILL PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that June 3, 1922, they presented to the President of the United States the enrolled bill (S. 745) to amend section 24 and section 256 of the Judicial Code.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 3676) making appropriation for a quarantine station at Sabine Pass, Tex.; to the Committee on Appropriations.

By Mr. HARRIS:

A bill (S. 3677) authorizing the Director of the Census to collect additional statistics of cotton; to the Committee on Commerce.

By Mr. KING:

A joint resolution (S. J. Res. 203) authorizing return to corporations of neutral countries properties taken over during the World War by the Alien Property Custodian; to the Committee on the Judiciary.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. SHEPPARD submitted an amendment providing for improvement work at Buffalo Bayou, Tex., in accordance with the report submitted in House Document No. 93, Sixty-seventh Congress, first session, and subject to the conditions set forth in said document, intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. I think the next paragraph in order would have been the one relating to tanning dyes, but the Senator from Wisconsin [Mr. LA FOLLETTE] says he is not prepared to take that up, and asks that it may go over. Therefore I ask that the Senate return to paragraph 302, relating to manganese ore.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Lenroot	Shortridge
Borah	Hale	McCumber	Simmons
Brandegee	Harris	McLean	Smith
Broussard	Harrison	McNary	Smoot
Bursum	Heflin	Nelson	Spencer
Cameron	Johnson	Newberry	Sutherland
Capper	Jones, N. Mex.	Nicholson	Swanson
Caraway	Jones, Wash.	Oddie	Townsend
Colt	Kellogg	Page	Underwood
Cummins	Kendrick	Pepper	Wadsworth
Curtis	Keyes	Poinexter	Watson, Ga.
Dial	King	Pomerene	Willis
Dillingham	Ladd	Ransdell	
du Pont	La Follette	Sheppard	

The VICE PRESIDENT. Fifty-four Senators have answered to their names. A quorum is present.

Mr. NICHOLSON. Mr. President, I ask that the amendment I have proposed to paragraph 302 of the pending tariff bill may be reported.

The VICE PRESIDENT. The amendment of the committee will be stated.

The READING CLERK. On page 48, in paragraph 302, on line 20, the committee proposes to strike out "manganese ore or concentrates containing in excess of 30 per cent of metallic manganese, 1 cent per pound on the metallic manganese contained therein; molybdenum," and to insert the word "molybdenum," so as to read:

Molybdenum ore or concentrates, 75 cents per pound on the metallic molybdenum contained therein.

The Senator from Colorado [Mr. NICHOLSON] asks that the Senate restore the House text by disagreeing to the committee amendments.

Mr. NICHOLSON. Mr. President, I send to the desk and ask to have read a joint resolution passed by the Colorado Legislature during its special session, beginning in the month of April, indorsing the House rate on tungsten.

Mr. HARRISON. May I ask the date of the resolution?

Mr. NICHOLSON. May 10, 1922. I desire to state for the information of the Senator from Mississippi that every Republican and Democrat in the house and senate of the Colorado Legislature voted for the adoption of the joint resolution.

Mr. HARRISON. I was merely wondering if they indorsed the bill or merely indorsed the one item.

Mr. NICHOLSON. They merely indorsed the item mentioned in the joint resolution which I have now offered. May we have the joint resolution read?

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

STATE OF COLORADO,  
OFFICE OF THE SECRETARY OF STATE.  
CERTIFICATE.

UNITED STATES OF AMERICA,  
State of Colorado, ss:

I, Carl S. Milliken, secretary of state of the State of Colorado, do hereby certify that the annexed is a full, true, and complete transcript of House Joint Resolution No. 2, which was adopted at the extraordinary session of the twenty-third general assembly of the State of Colorado and filed in this office by the officers of the house of representatives of said assembly.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Colorado, at the city of Denver, this 10th day of May, A. D. 1922.

[SEAL.]

CARL S. MILLIKEN,  
Secretary of State.

House Joint Resolution No. 2.

MANGANESE ORE.

Whereas the mining industry of the West has been and is now suffering because of a lack of profitable markets in which to dispose of its various minerals; and

Whereas the development of the past few years shows that the West and South contain many bodies of available minerals largely used by the industries of the Nation, but which have heretofore been largely imported from China, India, Brazil, and other foreign nations because of the cheap production costs therein on account of the cheap labor and cheap ocean transportation; and

Whereas the markets for Colorado farm and range products, because of the long distances of consumption centers of the East, were greatly hampered because of the falling off of mining development and production in the State;

Whereas the building up of mining activities in the State are vastly important in order to furnish added markets for Colorado farm and range products;

Whereas the railroads of the West, the arteries which are essential to the farmer and which now are compelled to charge excessive freight rates on a decreased business, are suffering depression because of the loss of earnings by a lessening of the demand for transportation of ores and minerals, which loss must either be charged against the farmers' product, or manifest itself by diminished and inadequate transportation service; and

Whereas the falling off in returns to the Federal Government under the income tax law because of business depression makes necessary the use of other sources of income in order to meet the required demands of governmental operation and the interest upon the burden of the war debt; and

Whereas the steel industry of the United States annually consumes more than one-half million tons of manganese ores, which have heretofore been imported from foreign countries; and

Whereas the necessities of the war, during which all vessels were needed to carry food and supplies to our soldiers in the trenches of France, made the importation of foreign manganese difficult; and

Whereas the increased price thereby occasioned made possible the increase of production of high-grade manganese ore in the United States from 2,035 tons in 1914 to 305,869 tons in 1918, and a total increase of both high and low grade manganese ores from 100,900 tons in 1914 to 1,474,647 tons in 1918; and

Whereas the developments made in this production demonstrate that the manganese reserves of this country are ample and sufficient to meet all of the industrial needs of the Nation; and

Whereas the House of Representatives of the United States has enacted a bill, known as the Fordney bill, which provides for a duty of 1 cent per pound upon the manganese content of all imported ores: Therefore be it

Resolved by the senate and house of representatives of the State of Colorado, in special session assembled at Denver, Colo., on the 18th day of April, 1922, That we protest against the placing of the Colorado miners in competition with the cheap labor of China, India, and Brazil; and be it further

Resolved, That in order to add to the revenues of the Nation, to furnish adequate business to the railroads of the West, to stimulate western mining production, and particularly that the manganese ores of the State of Colorado can be mined and employment provided for the miners of the West, the Senators of the State of Colorado, Members in the United States Senate, are hereby earnestly urged to exert their best efforts to secure the adoption by the United States Senate of the tariff rates proposed in the Fordney bill for the protection of the manganese industry of the West; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Hon. Warren G. Harding, to the Presiding Officer of the United States Senate, Hon. CALVIN COOLIDGE, and Hon. LAWRENCE C. PHIPPS and Hon. SAMUEL D. NICHOLSON, Colorado Members in the Senate of the United States.

Mr. NICHOLSON. Mr. President, I should like to address the Senate on a subject which has heretofore been under discussion and which is one of the most vital questions in the whole tariff bill. I refer to the tariff on manganese.

We may as well admit the issue. The tariff on manganese would have been a settled fact months ago but for the selfishness of the steel industry. I am not talking to you, therefore, to prove any question of necessity for protection, any question of the ability of this industry to develop under protection, or any of the economic factors usually involved in a tariff discussion; these issues have all been settled, and the result was shown by the placing of a duty on manganese by the Ways and Means Committee of the House after the most complete investigation over a period of four months by its subcommittee on metals; I am talking to you solely to counteract, if possible, the insidious propaganda emanating from the selfishness of the steel manufacturers.

The opposition to protection for this key industry in the United States strikes at the very root of our tariff principles. This opposition was conceived in selfishness. It has grown in blindness. It is before you as a most shameful example of proposed selfish legislative enactment. It uproots a high Republican principle to meet the desires of an individual industry—the steel interests.

In the reports of the Ways and Means Committee and the Senate Finance Committee the steel producers are granted a duty of one-half cent per pound on steel ingots, billets, and so forth, valued at \$33.60 per ton. This would amount to protection of \$11.20 per ton, or a duty of 33½ per cent.

The Fordney bill provided for manganese producers a duty of 1 cent per pound metallic content of manganese ore. This is equal to one-third to one-half cent duty per pound on the ore as imported. It is equivalent to 16 cents per ton of manganese contained in raw steel. This is the further equivalent of seven-tenths of 1 per cent duty on steel.

Now, what does this mean? It means that the steel manufacturer has the protection of \$11.20 per ton as contrasted to 16 cents per ton which he is asked to pay on the manganese content. Deduct this from his tariff protection and he still has a protection of \$11.04 per ton net. Deduct the percentage from his percentage of 33½ per cent and he still has a net ad valorem protection of 32.6 per cent.

It is difficult to conceive of a producer receiving \$11.20 per ton protection on his product objecting to a protective duty on an essential raw material, which will only affect his net protection seven-tenths of 1 per cent.

After the steel manufacturer has paid his duty on manganese, he still has a net protection of 32.6 per cent.

Let us consider the tariff history of this gigantic industry. It is insisting that those things which it must buy be on the free list, and that those things that it sells shall be protected by high rates of duty.

In 1883 steel was protected by a duty which ranged from \$28 to \$65 per ton. In all the years since the steel industry has enjoyed free manganese, free iron ore, and free coal. To-day we are told by the steel industry that a duty which increases the cost of steel 16 cents per ton will ruin the industry.

In the tariff act of 1864, which was in effect in substance until 1883, the duty provided on steel ingots was \$50.40 per ton. (Tariff acts, U. S. Document 671, 61st Congress, p. 234.) In 1870 a tariff of \$28 per ton was provided on steel rails. (P. 273, same reference.)

The tariff act of 1883 carried a duty on iron or steel rails of nine-tenths of 1 cent per pound or \$20.16 per ton. (P. 325, same reference.)

The price of steel rails in May, 1889, was \$27 per ton. (Mineral resources, Department of the Interior, Miscellaneous Document No. 230, 51st Congress, p. 16.)

The tariff act of 1883 was then in effect. This was a duty therefore of \$20.16 per ton on a product valued at only \$27 per ton, or an ad valorem rate of 75 per cent.

This was at a time of great railroad expansion in the United States. What burden did this tariff duty put upon the people of the United States?



Under a protective tariff the steel industry has flourished. This is proper. The tariff on certain items has been gradually reduced, but no appreciable tariff was imposed on the materials used in making steel. To-day the steel people say that an increase of 16 cents on the cost of manganese used in a ton of steel will so burden the consumer that he will revolt, and that competition in foreign markets will be impossible.

Iron ores carried a duty of 75 cents per ton in the tariff bill of 1883. The purpose of this duty was to protect an infant industry in its development of iron ore deposits in this country. This emphatically resulted in great benefit to the country. But to do this the duty put a burden of at least \$1.60 per ton on raw or finished steel. This is ten times the burden that would be placed on the cost of steel by the proposed manganese tariff.

The favorite statement of the steel interests has been that, "We have no manganese ore in the United States suitable to our needs." This is the same old story that you hear from every manufacturer who wants protection on what he sells, and wants what he buys on the free list. Whether it be a woolen manufacturer who wants free wool and protected worsteds, a graphite manufacturer who wants protected lead pencils and free graphite, or a steel maker who wants protected steel and free manganese ore, it is just the same old story.

In 1918 we produced 310,000 tons of high-grade manganese in the United States, and over 1,000,000 tons of manganiferous iron ore. This ore was all sold to the steel industry. My own State of Colorado has produced millions of tons of manganiferous ore and has many millions in reserve. It will take more than oratory on the part of the steel interests to convince me that we have no manganese in the United States.

There are over 400 districts in the United States capable of producing manganese ore. Over 1,100 deposits have been investigated and reported upon by reputable engineers, mine operators, and geologists.

In many of the districts much more ore has been actually shipped from a single property than was originally credited to the entire district. This apparent discrepancy is due to the fact that no distinction was made between actual ore in sight and ore reserves.

Improved metallurgical processes have also made the utilization of many so-called low-grade manganese ores not only possible but advantageous.

The output of manganiferous iron ore in the United States jumped from 59,403 tons in 1913 to 1,168,777 tons in 1918.

In 1915 our manganese production was triple that of 1914. In 1916 it was three times that of 1915. In 1917 it was again three times that of 1916, and in the first 10½ months of 1918 it was three times that of 1917. This remarkable increase in production came from the operation of only 10 per cent of the known properties. Most of these were in their initial stages, rarely exceeding 50 per cent of their capacity. This development was being carried on diligently in the hope of again trebling production during one more year of intensive effort. It is the judgment of all those connected with the industry that an output of 800,000 to 1,000,000 tons would have been a most modest expectation. This would have taken care of much more than the total manganese requirements of the steel industry for any year of its history.

The domestic production of manganese for 1918 was greater than the total consumption of manganese by the steel industry during any pre-war year. It was greater than the consumption of manganese by the steel industry during 1919 or 1921, and was greater than the average annual consumption of manganese by the steel industry in all the years since the war. It can not be doubted, then, that from three-fourths of a million to one million tons could easily have been produced in 1919 had foreign ores been kept out and the demand continued.

If the companies mining manganese were satisfied that their operations were secure from ruinous foreign competition, the entire management requirements of the United States could be met by domestic production within a few years, and in the meantime the revenue from imported manganese would be welcomed by the Treasury Department and would relieve the undue burdens now resting on the shoulders of American taxpayers.

The statements by certain consumers that we have no adequate manganese reserves are made either from a selfish interest or are due to painful ignorance of our natural resources.

The annual requirement of manganese in the steel industry, as stated by their representatives, is the equivalent of 800,000 tons of 45 per cent manganese ore. Of this amount one-half can and will be consumed in the form of high manganese pig, under modern established furnace practice. High manganese

pig is made from manganiferous iron ore. To supply the 400,000 tons of equivalent 45 per cent manganese in this form will require 2,500,000 tons of manganiferous iron ore per annum, as this ore ranges from 10 per cent to 35 per cent manganese.

I have before me [exhibiting] two hundred or more statements of State geologists, mine operators, and mining engineers of recognized authority; statements signed by mine operators and owners, some of them are sworn to, many of them are based on careful engineers' reports, from which are summarized the manganese reserves of the United States.

The principal districts and other known investigated reserves which total more than 25,000,000 tons, based on 45 per cent manganese ore, are as follows:

	Tons.
Alabama	55,000
Arizona	326,000
Arkansas	4,152,000
California	160,275
Colorado	270,859
Georgia	300,000
Montana	8,479,216
Nevada	201,000
New Mexico	201,500
Oregon	16,000
Tennessee	121,000
Utah	15,000
Virginia	11,114,357
Washington	500
Total	25,411,707

Reserves of manganiferous iron ore which have been investigated and checked to date occur in the following States:

	Tons.
Alabama	2,000,000
Arizona	4,107,110
Arkansas	3,859,500
California	60,000
Colorado	2,772,000
Georgia	480,000
Michigan	7,000,000
Minnesota	40,178,510
Montana	227,492
Nevada	1,052,000
New Mexico	2,824,000
Oregon	1,979,000
Tennessee	65,000
Utah	4,000
Virginia	8,406,000

There are known deposits on which only general estimates have been given in the following States:

Maine, Missouri, Mississippi, Maryland, New Jersey, Oklahoma, South Dakota, Texas, Vermont, Wyoming, Idaho.

Mr. President, in addition, there are millions of tons of recoverable manganese associated with the metalliferous ores of the South and West. These will be made available if given adequate protection. These ores, with a value placed on their manganese content, will then be commercially valuable for the combined recovery of all minerals contained.

Concerning the manganiferous iron ore which it is estimated will fill half of the requirements of manganese in the steel industry: At a hearing before a special committee of Senators, appointed to investigate the manganese reserves of the Nation, a prominent producer of manganiferous iron ore stated, in the presence of the officials of the steel companies, who are opposing this very tariff:

If this tariff is granted, I would be willing to take a contract to supply, not any individual steel company, not the Steel Corporation alone, but the entire steel industry of the United States with its annual requirements of manganiferous iron ore to take care of 50 per cent of the manganese requirements of the United States, and these gentlemen who are here, who are to-day my best customers, know that I fill my contracts and that I would fill this contract.

Mr. President, to this startling statement none of the representatives of the steel industry there present interposed any objection or contradiction. Does this look like insufficiency of reserves? Hardly. And it did not look so to the representatives of the steel industry who were there.

#### LABOR COSTS.

The cost of production in labor per day in foreign countries producing manganese ore is as follows—and I wish the Senators would take note of this particular schedule. These figures I received from the Department of Commerce a few days ago:

Country.	Source of information.	Cost.
India	Department of Commerce	Per day, \$0.03
Brazil	do.	.23
Cuba	do.	1.25
Central America	do.	.35
Russia (Ural Mountains)	Government bulletin	.07

This is the kind of labor with which the American miner is asked to compete if he is to produce manganese ore for the great steel corporations of this country.

The average wage paid to manganese miners in the United States is \$4 per day. The labor cost per ton of foreign ore varies from 30 cents to \$1.25. The labor cost per ton of domestic ore ranges from \$6.50 to \$15 per ton. The difference between the foreign and domestic labor cost is, therefore, from \$6.30 to \$14.75 per ton.

#### RATES.

The ocean freights on imported manganese have ranged from 30 cents per ton to \$4 per ton. To this must be added freight rate from mine to ocean port and freight from port of entry to furnace. The total of these two rates averages between \$3 and \$7. The domestic rate on manganese ore from mine to furnace ranges from \$4.50 to \$14 per ton, with an average of \$10 per ton.

American manganese ore is, therefore, under a labor handicap, which averages \$6.30 to \$14.75 per ton, and a freight handicap which averages from \$4.50 to \$10 per ton.

In connection with this discussion of freight rates it should be noted that when the horizontal advance in railroad rates was made in August, 1920, rates on imported manganese ore from New York, Philadelphia, and Baltimore to Pittsburgh stations and Bessemer were increased as follows:

From—	Old rates 1919.	New rates 1920.
New York.....	\$4.10	\$5.74
Philadelphia.....	3.36	5.46
Baltimore.....	3.36	5.40

On November 15, 1921, the carriers established special reduced rates, as follows:

From—	Reduced rates 1921.	Percent- age of reduction.
New York.....	\$3.12	46
Philadelphia.....	2.52	52
Baltimore.....	2.72	50

These rates applied until February 25, 1922, when new rates higher than those of November, 1921, but still 40 per cent lower than those of August, 1920, were made effective, as follows:

From—	New rate, February, 1922.
New York.....	\$3.96
Philadelphia.....	3.36
Baltimore.....	3.56

These rates, however, were apparently unsatisfactory to the steel industry, and on April 1, 1922, practically only one month after the previous change, the special reduced rates granted in November, 1921, were again established, so that the present rates to Pittsburgh and Bessemer are:

From—	Reduced rates, April, 1922.
New York.....	\$3.12
Philadelphia.....	2.52
Baltimore.....	2.72

Note, then, that while the steel industry secured reduction in freight rates on foreign ore no attempt was made to secure any reduction in freight rates on domestic manganese ore.

In his semiannual address to the American Iron and Steel Institute on Friday, May 26, Judge Gary, chairman of the Steel Corporation, advocated—I quote from the statement in the Washington Post of Saturday, May 27—that—

Congress take the tariff out of politics. \* \* \* The tariff question should be delegated for investigation to a "commission of well-paid, high-minded, intelligent, competent, and nonpartisan appointees, authorized to ascertain and communicate the facts and figures." Their reports should be frequent, so that, if deemed necessary, a change in or amendment to the tariff laws could be made at any time Congress is in session.

Take the tariff out of politics? Of course, the judge would like to have the tariff handled by a governmental executive bureau. It would make it possible to concentrate the educational efforts of such employees as Mr. Hughes toward the realization of their idea of a proper tariff arrangement for the steel industry to have everything they sell protected and everything they buy on the free list.

Their success in getting low freight rates on their manganese ore mined in Brazil from docks to furnace when they import it

into this country while domestic ore gets no such consideration from the Interstate Commerce Commission should give them great encouragement in the efficacy of such a system, for the reason that a small commission would be more easily approached and with less publicity than in having the matter discussed in a tariff bill before the United States Congress. These great corporations could keep men constantly in Washington, year in and year out, to see that manganese never got adequate protection.

In 1918 Brazil exported to the United States 345,877 tons of manganese ore, taking an export duty of \$1.85 per ton from Brazil, assessed by the Brazilian State of origin. The Government railroad which transported these ores to seaboard increased its freight rate in order to enhance the Government revenues.

This increased the cost of manganese to the United States by approximately \$1,000,000, which the steel industry paid without objection. The cost was passed on to the consumer. It is logical, therefore, to presume that in the absence of an import duty here Brazilian export taxes will be increased to the maximum the traffic will bear, all of which will be passed on to the consumers here. This would result in no benefit to this Government, and would be a detriment to our manganese producers.

According to the report of the War Industries Board, page 143, the price of ferromanganese was \$37.50 per ton in 1914. It reached \$450 in July, 1917, and was stabilized at \$250 the latter part of that year through the efforts of the American Iron & Steel Institute. Shortage of shipping and the submarine menace made it necessary to pay this price in order to get American production.

Thus because its own manganese resources had not been developed this country paid a penalty of over \$50,000,000. Had importations of manganese ore been cut off, in three months time the steel industry would have been absolutely paralyzed. Ninety per cent of its orders at that time were for essential war materials. This on no less authority than Mr. James A. Farrell, president of the United States Steel Corporation.

The present manganese deposits of the United States are sufficient to meet all the industrial needs of the Nation. An undeveloped deposit is of no value in either peace or war.

The development of the manganese industry under the stabilizing influence of a protective tariff will be vastly different from development to meet war needs. It will be substantial, permanent, constructive. Having assurance of a protected market over a number of years, instead of the hazards of a fluctuating market upon war demands, producers will be able to plan their operations on a permanent basis with true engineering efficiency. They will build up a permanent mineral industry which will compare favorably with the other great mineral industries of this country.

Competition is the life of trade. A duty which will give to the American manganese producer an equal competitive field with foreign production will stimulate domestic production. It will provide revenue for our Government. It will strengthen our national defense.

The wide distribution of our manganese deposits does not lend itself to monopolistic control. From a purely revenue standpoint the manganese industry is as logically entitled to a duty as any other. Upon the basic principles of a protective tariff, it is more entitled to protection than any other.

The development of the manganese industry will create self-supporting communities in 26 States. These communities will furnish steady employment for thousands of men. They will produce substantial railway revenues. They will offer a nearby market for the products of our farms and will increase the purchasing power of American labor.

It has been stated by the steel interests that our exports represent our surplus, and this is exported whether money is made or lost, because more labor is employed, overhead is kept down, and production is cheaper.

It would be interesting to note the amount of excess profits which the American people pay annually to the steel industry. They beg for free manganese in order to create a surplus on the plea of employing home labor. What about the employment of home labor in the manganese mines of America?

In the year 1920 the United States produced approximately 41,000,000 tons of raw steel. On the basis of 1 cent per pound on the metallic content of the ore, it is estimated that the duty on manganese provided by the Fordney bill would yield an approximate revenue of \$6,560,000 per year. The steel interests, nurtured and fattened by a protective tariff, and now being long past the infant-industry stage, ask a total tariff protection of \$475,000,000 on their products.

I have here statements showing the capitalization and earnings of the United States Steel Corporation, which I send to



the desk and ask to have them incorporated as part of my remarks.

The PRESIDING OFFICER (Mr. ODDIE in the chair). With-out objection, it is so ordered.

The matter referred to is as follows:

In 1910 the United States Commissioner of Corporations reported that in 1901 the United States Steel Corporation's estimate of the value of its tangible property exceeded the value as computed by Government experts \$804,946,615; in 1907, \$572,901,540; in 1910, \$506,017,962.

The total capitalization of the corporation in April, 1901 including underlying bonds and purchase money obligations was \$1,402,846,817. Its investment in tangible property alone, as indicated by historical analysis, was \$676,000,000. The excess of its outstanding securities over its investment amounted to \$726,846,817. The total value of its property, tangible and intangible, as indicated by the market prices of its securities was \$793,000,000. Its total capitalization exceeded this amount by \$609,846,817.

The value of the corporation's tangible property as of December 31, 1920, as shown by its annual report, was \$1,995,100,483.86 for 1920. While the value of its property as of that date based upon the 1910 valuation made by the Commissioner of Corporations and adding thereto net additions to investment as shown by the corporation's annual reports, after making adjustments for depreciation, etc., would have been \$1,585,939,570.81.

Total outstanding securities, etc., on December 31, 1920, amounted to \$1,455,395,645.10. These figures indicate that the enormous over-capitalization of 1901 condemned by the Commissioner of Corporations, in his investigation, has been completely made over into real money out of the pockets of the people of the United States by earnings and profits accumulated since.

It is impossible to determine the true annual net earnings of the corporation by the examination of its annual reports. Several important items are difficult to analyze or explain; for example, the corporation claims to have spent for "repairs and maintenance" in 1914 \$40,000,000; 1915, \$40,000,000; 1916, \$65,000,000; 1917, \$85,000,000; 1918, \$100,000,000; 1919, \$110,000,000; 1920, \$145,000,000; apparently in addition to large deductions for depreciation, replacements, etc.

It might well be assumed that some of the corporation's capital expenditures are being written off as expense in order to reduce Federal income and excess profits taxes.

Comparison of investment of steel corporation, with total earnings thereon, as adjusted by the United States Bureau of Corporations, yearly, 1901-1910:

	Total investment in tangible property.	Earnings as adjusted by bureau.	Per cent.
1901.....	\$698,869,756	\$77,741,231	11.4
1902.....	763,374,919	121,502,344	15.9
1903.....	806,615,979	94,156,958	11.7
1904.....	818,238,143	62,491,950	7.6
1905.....	874,840,920	112,830,835	12.9
1906.....	947,397,884	143,393,707	15.1
1907.....	1,078,763,602	155,416,873	14.4
1908.....	1,090,425,487	84,793,296	7.8
1909.....	1,146,875,993	120,807,579	10.5
1910.....	1,186,982,038	127,216,084	10.7
Total.....	941,258,472	1,100,350,857	11.8
Average.....		112,856,498	12.0

<sup>1</sup> Nine months—April to December.

<sup>2</sup> Indicated rate per annum based on actual earnings for 9 months.

Estimate of value of tangible assets of the United States Steel Corporation, 1911 to 1920, inclusive, and net earnings, as shown by corporation's annual reports. (Values based on 1910 valuation made by Commissioner of Corporations plus annual net additions to investment.)

	Estimated value of tangible assets.	Net earnings.	Per cent.
1911.....	\$1,234,412,899.12	\$104,304,465.87	8.5
1912.....	1,245,721,173.01	117,926,402.02	9.4
1913.....	1,298,561,078.46	147,166,616.81	11.3
1914.....	1,327,185,403.93	81,746,517.86	6.2
1915.....	1,338,083,273.34	140,250,066.33	10.5
1916.....	1,395,738,559.39	342,997,092.44	24.6
1917.....	1,440,150,800.24	304,161,471.53	21.1
1918.....	1,500,742,942.92	208,281,104.23	13.9
1919.....	1,532,355,548.17	152,290,639.24	9.9
1920.....	1,585,939,570.81	185,095,350.28	11.7
Total.....	13,898,891,249.39	1,784,220,735.61	12.7
Average.....	1,389,889,124.94	178,422,073.56	12.7

Mr. NICHOLSON. Mr. President, the corporation's annual reports show that in 1916 it had set aside for Federal taxes \$22,171,540.47; 1917, \$247,463,230.85; 1918, \$288,078,865.12; 1919, \$70,574,345.84; 1920, \$63,063,930.51. It does not follow, however, that the amounts set aside correspond to the amounts ultimately paid. It is safe to assume that the corporation did not pay \$247,463,230.85 in 1917 and \$288,078,865.12 in 1918.

After securing an adjustment of its invested capital, March 1, 1913, value, depreciation, depletion, war amortization, obsolescence, inventories, and so forth, with the Bureau of Internal Revenue, it is fair to assume that the corporation did not pay the amounts originally set aside. It would be interesting to know just how much of the annual reserves for taxes was

actually paid and how much turned back to surplus. It is suggestive to note that the total surplus of the corporation jumped from \$180,025,328.74 in 1915 to the enormous sum of \$523,454,890.89 on December 31, 1920.

Of course, the revenue law does not permit the Revenue Bureau to disclose the true figures for taxes or the basis for their computation.

The asset value of each share of stock is said by the Magazine of Wall Street of April 15, 1922, to approximate \$260, or a total of more than \$2,258,500,000, although total outstanding securities, including capital stock, bonded and debenture liability, and so forth, amounted in 1920 to only \$1,455,395,645.10.

If the Bureau of Internal Revenue allowed the corporation either an invested capital value, or a March 1, 1913, value, sufficient to give its stock an asset value of \$260 per share, when the par value is only \$100 per share and the market value little more than that amount, the Government has not received its full share of excess war profits.

At the end of 1910 the total dividends paid on the preferred stock amounted to \$269,414,628.66 and on common stock \$124,512,257.50. From 1911 to 1920, inclusive, dividends paid on the preferred stock amounted to \$252,196,770 and on the common \$355,811,750.

Capital stock, surplus, earnings, taxes, dividends, interest, depreciation, and so forth, additions to property account, as shown by annual reports of United States Steel Corporation, 1911 to 1920, inclusive, are as follows:

	Capital stock.	Surplus.	Net earnings. <sup>1</sup>	Tax.
1911.....	\$868,583,600.00	\$133,691,195.08	\$111,018,324.23	\$6,712,858.36
1912.....	868,583,600.00	136,716,245.27	124,693,497.46	6,767,095.44
1913.....	868,583,600.00	151,798,428.89	156,067,118.42	8,900,501.61
1914.....	868,583,600.00	135,204,471.90	90,348,821.38	8,602,303.52
1915.....	868,583,600.00	180,025,328.74	150,181,011.18	9,930,944.85
1916.....	868,583,600.00	381,360,913.37	365,168,632.91	22,171,540.47
1917.....	868,583,600.00	431,660,803.63	651,394,702.38	247,463,230.85
1918.....	868,583,600.00	466,888,421.38	496,359,069.35	288,078,865.12
1919.....	868,583,600.00	493,048,201.93	222,864,985.08	70,574,345.84
1920.....	868,583,600.00	523,454,890.89	248,159,289.79	63,063,930.51
Total.....	868,583,600.00		2,616,256,352.18	732,265,616.57

	Dividends.	Interest.
1911.....	\$50,634,802.00	\$31,144,618.31
1912.....	50,634,802.00	32,569,199.65
1913.....	50,634,802.00	32,517,962.96
1914.....	40,468,752.00	32,321,989.22
1915.....	31,573,458.25	31,782,688.43
1916.....	69,696,145.75	31,025,767.84
1917.....	116,714,127.00	30,125,594.67
1918.....	96,382,027.00	29,825,540.57
1919.....	50,634,802.00	29,210,897.57
1920.....	50,634,802.00	28,514,020.45
Total.....	608,008,520.00	309,034,279.67

	Depreciation, extraordinary replacement and sinking funds.	Additions to property account.
1911.....	\$26,980,025.63	\$72,150,014.60
1912.....	30,444,978.56	38,499,515.14
1913.....	31,860,652.72	35,111,535.32
1914.....	25,143,207.41	45,070,060.67
1915.....	32,428,048.85	37,661,461.19
1916.....	39,547,612.65	79,663,068.53
1917.....	51,533,271.67	107,260,629.11
1918.....	40,718,823.70	96,912,665.55
1919.....	45,545,926.43	68,356,644.41
1920.....	46,684,364.32	97,857,146.25
Total.....	370,906,911.94	708,542,740.77

<sup>1</sup> Before deducting taxes, dividends, interest, depreciation, replacement, and sinking funds.

During the 10-year period 1911-1920, inclusive, this great monopoly paid:

In dividends.....	\$608,008,520.00
Interest on bonds, etc.....	309,034,259.47
Into depreciation, extraordinary replacement, and sinking-fund reserves.....	370,906,911.94
Into surplus.....	389,763,695.81
Into property investment and stripping and development of mines.....	708,522,740.77

In 1917 the Steel Corporation, notwithstanding the fact that it set aside \$247,463,230.85 for taxes and paid \$30,125,594.67 interest on bonds, and so forth, \$51,533,271.67 depreciation, re-

placement, and sinking funds, \$107,260,629.11 additions to property investment, and \$50,299,810.26 to surplus, a total of \$486,702,536.56, paid 7 per cent on preferred stock and 18 per cent on common.

In 1918 this corporation, after setting aside \$288,078,865.12 for taxes and paying \$29,825,540.57 interest on bonds, and so forth, \$40,718,823.70 to depreciation, replacement, and sinking funds, \$96,912,665.55 to property investment, and \$35,227,617.75 to surplus, a total of \$490,763,512.69, paid dividends of 7 per cent on preferred stock and 14 per cent on common.

Here is the outrageous spectacle of a great monopolistic combine gouging the consuming public for enormous dividends, credits to surplus, and additions to property investment at a time when the Nation is struggling in the throes of war, when every man and interest are expected to do their bit. These figures prove that the consumer of steel paid not only his own income and excess-profits taxes, if any, but also the hundreds of millions assessed to the United States Steel Corporation.

The history of all the other steel companies combined parallels that of the United States Steel Corporation.

Mr. KING. Will the Senator yield?

Mr. NICHOLSON. Certainly.

Mr. KING. The Senator is now speaking of the Steel Corporation?

Mr. NICHOLSON. Yes; the United States Steel Corporation.

Mr. KING. And its enormous dividends?

Mr. NICHOLSON. Yes.

Mr. KING. That same steel company is asking for increased rates in this bill upon some of its products, I understand.

Mr. NICHOLSON. I have not made a comparison between the rates in the pending bill and those in the Payne-Aldrich law, but I will state for the information of the Senator that I am quite sure the rates are increased over those in the Underwood law.

Mr. KING. In view of the fact that these steel corporations, one or more, have made such enormous profits, does the Senator think we ought to increase the present tariff?

Mr. NICHOLSON. I will state for the information of the Senator that up to this time I have not heard it suggested, either from the other side of the Chamber or from this side, whether the schedules which are to be found in the Fordney-McCumber bill are higher than the difference in the cost of production at home and abroad. I will say emphatically to the Senator from Utah that when he can show me that a rate is greater than the difference between the cost of production in this country and abroad, he will find me voting to reduce the rate to that difference.

Mr. KING. If it has not been stated on this side, one Member on this side will state to the Senator that these steel products ought to be put on the free list. I think the able argument which the Senator is now making is an argument in favor of placing upon the free list these steel products, from which such enormous profits have been made, indeed so enormous as to excite the just indignation of the able Senator from Colorado.

Mr. NICHOLSON. As to that statement I will say that what we need is a regulatory supervision over these prices rather than the allowing of cheap products to come from abroad; what we need is to see that the rates are so adjusted that these enormous profits are not possible.

Mr. KING. Let me say to the Senator, if he will pardon me for further trespassing upon his time, that if he and other Republicans force upon the country this tariff bill, which provides these enormous rates, so that other corporations may make the enormous profits which the Steel Corporation has made, they are going to get regulation, not only of the Steel Corporation and others but of substantially all corporations engaged in interstate commerce, because the American people, while they do not want bureaucracy, paternalism, and socialism, are not going to permit these great corporations to make such enormous profits, exploiting and robbing the people in so doing. They will take hold of them and regulate them, and I am afraid the effect will be to diminish efficiency and to reduce our business activities to dead level of uniformity. But be that as it may, the American people are not going to submit to extortion at the hands of the protected monopolies of the United States.

Mr. NICHOLSON. The statement made by the Senator from Utah was quite extended. Instead of asking a question he has delivered a speech, and I am not going to take time now to reply to the address made by the distinguished Senator from Utah.

Mr. KING. The Senator was making such an interesting statement that I felt impelled to ascertain his views on the question.

Mr. NICHOLSON. These other steel companies have a series of well-developed plans for one or more mergers, which, if completed, would approximate the United States Steel Corporation itself in size and power.

John A. Topping, the present head of the Republic Iron & Steel Corporation, is the most hopeful aspirant for the presidency of this new merger. It is an open secret that his ability to head this merger will be closely gauged by his success in leading the fight against a proper protective tariff on manganese ore to a conclusion successful for the steel companies.

I would like to have the attention of the Senator from Utah [Mr. KING] in order to inform him what took place at a conference between the steel manufacturers and the producers of manganese.

At a conference held in the committee rooms of the Senate Committee on Banking and Currency, at the suggestion of members of the Senate Finance Committee, to attempt to effect a compromise on the proposed tariff on manganese, I asked Mr. Topping what he considered a proper basis for such compromise. I said, "Mr. Topping, the steel industry has built up its enormous prosperity through the benefits and protection afforded by a protective tariff. Are you willing that this manganese industry be permitted to attempt development under the same protection?" To this question Mr. Topping answered, "No." "Very well," I said, "are you willing that the manganese industry shall have a rate of tariff for its protection which shall amount to the difference in the cost of production here and the cost of production in foreign countries?" To this again Mr. Topping answered "No."

At this juncture the junior Senator from Washington, equally interested in just protection of these newly developed mineral industries, entered the room and said, "Pardon my natural curiosity, but who is this that we are asking if they will stand for certain rates of duty on the products of American industry? Who is writing this tariff bill? I was under the impression that this tariff bill was being prepared by the Congress of the United States, not by Mr. Topping and his associates."

The curiosity of the Senator from Washington can be easily understood. The active opposition of the steel industry to a tariff on the materials which are component parts of steel, while they at the same time demand rates of duty on their own products which brought them the prosperity just outlined, is the crying shame of this tariff bill.

Later in this meeting I told Mr. Topping what I thought of the industry that wanted everything which it purchases placed on the free list and everything which it sells protected.

Now, what is back of this whole thing? Let us look this thing right in the eye. The United States Steel Corporation owns a mine in Brazil, the Morra da Mina. They bought this mine less than a year ago. There the Steel Corporation can hire native labor for 28 cents a day. It can ship this ore to the United States and still get it cheaper than it can be produced in the United States with American labor. The other steel companies want to buy ore which is produced in the Ural Mountains with wages 7 cents a day, in India with wages 6 cents a day, while our American workmen are walking the streets seeking employment.

In the capital city of my State only a few months ago the city gave over a day to the alleviation of the condition of former service men out of employment. It was called "Have-a-heart day." Many of the good women of Denver gave practically all of their time for a week in advance and set aside this day, when a thousand of them appeared on the streets soliciting funds to relieve returned soldiers who were in distress because of their inability to secure employment.

Among these unemployed men were thousands of former miners. Yet, within but a few miles of Denver lie magnificent deposits of manganese ore, idle mines at which these men could have been employed, supporting their families, and not a burden upon the public sympathy and public purse. These mines are idle because these very steel companies are now and have been ever since the World War importing all the manganese they could bring in from foreign countries, where it is produced with the cheapest labor in the world.

When the price of steel was jumping by leaps and bounds during the war the consumers of steel products were told, "We have to raise the price of steel because of raw materials which cost us more." After the war was over the prices of steel products remained at their war-time levels for nearly two and a half years.



## STEEL PRICES.

On March 2, 1919, the industrial board fixed the price of steel as shown in this table:

*Index steel prices per hundredweight.*  
(Commerce Department and Metal Statistics.)

	Rails.	Shapes.	Plates.	Black sheets.	Bars.
1914.....	28.00	1.05	1.05	1.80	1.05
1916.....	38.00	3.10	3.60	4.50	3.00
1917.....	55.00	3.00	3.25	5.00	2.90
1918.....	55.00	3.00	3.25	5.00	2.90
1919 <sup>1</sup> .....	45.00	2.45	2.65	4.35	2.35
1920.....	45.00	2.45	2.65	4.35	2.35
1921 <sup>2</sup> .....	40.00	2.20	2.20	4.00	2.10

<sup>1</sup> Prices fixed by industrial board Mar. 21, 1919.

<sup>2</sup> Prices announced by Steel Corporation Apr. 21, 1921.

Mr. KING. Will the Senator permit a question for information?

Mr. NICHOLSON. Certainly. I will be glad to answer if I can impart the information.

Mr. KING. The Senator has stated that certain rates were fixed during the war and maintained—

Mr. NICHOLSON. For two and a half years after the armistice.

Mr. KING. When the rates were fixed during the war, did all the steel companies, the independents as well as the Steel Corporation, adhere to those rates?

Mr. NICHOLSON. So far as I know, they did.

Mr. KING. So long as these rates were in effect, was there a general acceptance of them by all the steel companies of the United States?

Mr. NICHOLSON. I think in a large measure that is true.

Mr. KING. To what extent, may I inquire of the Senator, have the independents since then departed from those rates?

Mr. NICHOLSON. I think the Steel Trust and the independents maintain prices very nearly on an equality. The independents cut prices, as I recall it, below those of the Steel Corporation, but it was for only a short period, because they were informed that if they cut prices the Steel Corporation would cut prices below their prices, and my recollection is that the independents came back to the schedule fixed by the Steel Corporation.

Mr. KING. Has not the investigation which the able Senator has made convinced him that many of the so-called independents have really used the Steel Trust or the big steel company as a shield to fix rates, behind which they took lodgment and availed themselves of the same high rates as announced and maintained by the Steel Trust?

Mr. NICHOLSON. I would place a different construction upon the situation from the construction placed by the Senator from Utah. I would say that the independents, if we are to reason back to the big Gary dinners, were compelled to accept rates fixed by the Steel Corporation, and that it was not of their liking or choosing but due to a matter of compulsion.

Mr. KING. So long as there has been a demand for the combined product of the Steel Corporation and the independents, have not the independents shown a good deal of happy disposition to follow the rates fixed by the Steel Trust?

Mr. NICHOLSON. If the Senator will take the map and see where the steel plants are located, and where the independent plants are located, he will think differently. Take the Midvale Steel or the Bethlehem Steel Co. They would receive an inquiry for a large tonnage, we will say, in Nebraska or Colorado. The United States Steel Corporation could furnish that steel cheaper than the Midvale or the Bethlehem Steel Co. on account of the difference in freight rates. They would ship it from Chicago. If they get contracts in close proximity to the independents they are on an equal basis with them. The Senator can readily see from the placing of the various steel plants of the Steel Corporation that they have a great advantage in freight rates over their independent competitors.

Mr. KING. After all, then, the Steel Corporation fixes the prices of steel products?

Mr. NICHOLSON. I would say so in a large measure.

Mr. KING. If the independents desired to enter into competition and to lower the prices they would fear the domination of the Steel Trust and would trail in behind it, accepting the rates which it fixed. Accepting that conclusion, may I suggest to the Senator whether he does not think now, in all fairness, that we ought to put steel products on the free list?

Mr. NICHOLSON. I want to call the attention of the distinguished Senator from Utah to the fact that it was under

the beneficent auspices of a Democratic administration that these enormous profits were permitted to be made.

Mr. KING. I want the Senator to understand that I am sitting at the feet of Gamaliel now and seeking information. I am conceding, as the Senator stated, that there have been these enormous profits, that the steel corporation has gouged the public—and the Senator used that expression, and I think quite properly—and got these enormous profits. The Senator has indicated that they dominated and that the independents have followed behind them and accepted in the main the rates which they fixed. Does not the Senator think in all fairness that we ought not to prostitute the taxing power of the Government to permit this monopoly to continue to rob and exploit the American people?

Mr. NICHOLSON. I will base my reply upon two propositions—first, that the steel industry seems to be more strongly entrenched so far as getting preferential consideration than any other industry that I know of. On my own side of the Chamber we are in favor of protection. On the Senator's side of the Chamber they are in favor of admitting all the raw products free.

Mr. KING. Oh, no; I do not want the Senator to make that statement.

Mr. NICHOLSON. That is the statement of the Senator from Utah.

Mr. KING. Oh, no.

Mr. NICHOLSON. The Democratic Party is a free-trade party.

Mr. KING. The Senator has made his statement too broad.

Mr. NICHOLSON. I hope I have made it too broad.

Mr. KING. There are spotted protectionists on this side, as there are spotted protectionists on the Senator's side of the aisle.

Mr. NICHOLSON. It would be very pleasing to me if I have made too broad a statement so far as the Democratic Party is concerned.

Throughout the remainder of 1919 and all of 1920 and up until about one year ago the corporation maintained these prices. On April 12, 1921, the corporation announced the first reduction of its prices since the signing of the armistice.

Further, a resumption of imports of foreign low-priced basic materials for steel began in 1918 and 1919, and the prices of steel were held at their war-time levels until the late spring of 1921. Steel prices were not cut until about a year ago, and the net earnings of the steel companies during these supposedly lean years have been greater than they were during the years before the war.

What benefit does the consumer of steel derive, or has he ever derived, from this employment of foreign labor, owned and controlled by the steel industries of the United States? It surely has not been reflected in the price to the consumer. Is it possible that the advantage of this ownership of foreign mines is reflected in the earnings of the steel companies?

The monthly earnings of the Steel Corporation in the latter part of 1916 were in excess of \$35,000,000 per month. Thereafter the decrease in earnings during 1917, 1918, and 1919 was due entirely to the deduction of the excess-profits tax. With the exception of this deduction, the earnings of the United States Steel Corporation have been \$10,000,000 higher per month than they were in 1915. So that at no time were any of these war-time excess-profits taxes ever paid by the Steel Corporation or by any other steel company.

If an article cost them \$1 to make and they sold it for \$2, their profit being \$1, and by the addition of these taxes their cost was increased to \$1.50, they sold the same article for \$3 and make \$1.50 where they had previously made \$1.

Here are some typical steel items on which the manganese producer asks 16 cents per ton and on which the steel manufacturer receives the following duties:

## AFFECTING THE BUILDING INDUSTRY.

Beams, channel steel, \$10.50 per ton upward.  
Sashes, frames and building forms, 40 per cent ad valorem.  
Galvanized roofing, \$19 per ton.  
Butt and lap welded pipe, \$15 to \$35 per ton.  
Conduit pipe, 35 per cent ad valorem.  
Nails, \$8 to \$50 per ton.  
Rivets, \$20 per ton.  
Screening, 25 to 45 per cent ad valorem.  
Screws, \$60 to \$200 per ton.

## AFFECTING RAILROADS.

Rails, \$3.92 per ton.  
Fishplates, \$5 per ton.  
Bolts, \$20 per ton.  
Lock washers, 40 per cent ad valorem.  
Wheels and axle parts, \$20 per ton.  
Track tools and sledges, \$32.50 per ton.

## AFFECTING THE FARMER.

Horse and mule shoes, \$12 to \$40 per ton.  
 Horseshoe nails, \$50 per ton.  
 Hoop, band iron, and cotton-baling iron, \$5 to \$11 per ton.  
 Galvanized wire, \$10 per ton.  
 Crowbars, \$27.50 per ton (or 37½ cents for every crowbar used in the United States).  
 Wire rope, 40 per cent ad valorem.  
 Chain, \$20 to \$80 per ton, "provided no chain except anchor and stud chain shall pay a less duty than 45 per cent ad valorem."  
 Anvils, \$32.50 per ton.  
 Bolts, etc., \$12 to \$20 per ton.  
 Lock nuts, 40 per cent ad valorem.  
 Tin plate, \$20 per ton.  
 Culvert pipe, 30 per cent ad valorem plus \$4 per ton.

## AFFECTING MISCELLANEOUS MANUFACTURING INDUSTRY.

Steel billets, \$11.20 per ton (which at to-day's market is 33½ per cent ad valorem).

The protection afforded to the steel industry on this one item alone, of 42,000,000 tons of steel per year, is \$475,000,000 or more.

Steel forgings, 30 per cent ad valorem. (Every steel forging for whatever purpose bears a protection of 30 per cent ad valorem.)  
 Covered wire, 40 per cent ad valorem.  
 Wire rope, 40 per cent ad valorem.  
 Spinning-ring travelers, 40 per cent ad valorem.  
 Wire heddles and healds, 25 cents per thousand plus 40 per cent ad valorem.

Steel wool, \$200 per ton plus 30 per cent ad valorem.  
 Ball bearings, \$200 per ton plus 55 per cent ad valorem.

At a hearing before the Senate Finance Committee on August 25, 1921, Mr. John A. Topping, representing the Republic Iron & Steel Co., asked:

Is it a time-honored policy of the Republican Party—protection of finished products and free raw materials?

What, then, shall we say to an ad valorem duty of 33½ per cent on steel ingots, basic product of the steel industry of the United States, and the raw material of every metal manufacturing industry; a protection which costs the people of this country \$475,000,000 a year, and benefits the steel industry a like amount? The manganese industry is asking this powerful steel industry to permit a duty which amounts to 16 cents per ton on these same steel ingots.

The best answer to this question is a statement by Chairman FORNEY, of the House Ways and Means Committee, when he said, "There has been a great deal of talk here about raw material; hide on the back of a range steer, which has never had a bit of human care, is a raw material; iron ore, lying in the ground, is raw material; but when one element of human labor has been added to any such thing to prepare it for its market it has become that man's finished product."

Chairman FORNEY, of the House Ways and Means Committee, had all the facts before him when considering the merits of manganese protection. He appointed a subcommittee to investigate the manganese reserves, he gave the manganese producers a chance to be heard, and, although this committee was besieged by the agents of the steel interests in their opposition to a tariff on manganese, he refused to bend his knees to their dominance and attempted perversion of Republican principles.

President Campbell, of the Youngstown Steel & Tube Co., said:

The duties on manganese ore and alloys will put a considerable tax on the steel industry which the consumer must pay. We will pay it first and then pass it on to the consumer.

If a tariff of 16 cents a ton on steel is passed on to the consumer, the public has little to fear. Mr. Campbell does not hesitate to ask for a duty on his products, such as pipe, amounting to \$15 a ton, or on wire rods of \$6.72 a ton, which he is perfectly willing to pass on to the consumer.

Mr. President, the sole question is whether American industries shall be operated by American workmen, making this country independent in time of war and prosperous in time of peace; whether we shall promote our industrial welfare by developing our own raw materials, thus enabling our railroads and lake boats to increase the employment of American labor, or whether we shall compete with ruffraff employed in foreign mines, while our citizens seek employment and our own abundant natural resources lie undeveloped.

Mr. WILLIS. Mr. President, I desire merely to make some very brief observations with reference to this item which has been so eloquently discussed by the Senator from Colorado [Mr. NICHOLSON].

I will say, in the first place, that I think the Senator from Colorado is utterly mistaken in his viewpoint with reference to the probable effect of the action which he desires the Senate to take. I shall not at this time engage in any discussion of the rates proposed on iron and steel; we have not come to those as yet, nor shall I engage in any attack upon the iron and steel industry. We shall settle the question of rates on iron and steel when we come to those rates. I hold no brief for the United States Steel Corporation or for anybody else, but I do have some interest in the general welfare of the American people; and I think the action contemplated and desired by the Senator from Colorado would not promote that welfare.

I am quite familiar with the argument urged in favor of the establishment of new industries in this country, and I am strongly in favor of the development of the resources of this country; but, Mr. President, we can not develop a resource which does not exist in appreciable quantity. The cold fact is, borne out by the most careful researches, that we have not in the United States a sufficient supply of manganese to make it reasonable to talk about the establishment of a manganese industry. Now, let us see whether that is true, for I think it is fundamental.

Here in part is what is reported in the Summary of Tariff Information, at page 362, concerning manganese:

Operating costs here are much higher than abroad, American mines being situated far from points of consumption and often at considerable distances from railroads.

Now, note this:

Domestic resources have been carefully estimated—

This is the most recent information and the most reliable information that we have—

Domestic resources have been carefully estimated and found to be insufficient to supply our requirements for more than a few years.

Mr. WALSH of Montana. Mr. President—

Mr. WILLIS. I yield to the Senator from Montana.

Mr. WALSH of Montana. I inquire of the Senator why he states that is the "most reliable information" we have?

Mr. WILLIS. It is the most reliable information that I have been able to get from any quarter. It is the information that is furnished by the Tariff Commission, and I should very much prefer to rely upon this information rather than to rely upon information furnished in briefs by those who are seeking to secure a practically prohibitive duty on this product. Does the Senator from Montana know of any more reliable information than this?

Mr. WALSH of Montana. I think so.

Mr. WILLIS. I hope the Senator will give it to the Senate.

Mr. WALSH of Montana. I shall be very glad to do so; but I want now to challenge the statement which the Senator now makes, which is apparently the basis of his argument. The Senator, however, probably knows that the information which the Tariff Commission gives us it gets from the Geological Survey reports.

Mr. WILLIS. Yes.

Mr. WALSH of Montana. The Senator probably also knows, if he has read the hearings, that the Geological Survey admits that it is in error about that.

Mr. WILLIS. Yes. We might as well, however, forthwith get at the facts of the situation. It is admitted that there are deposits of manganese in this country; I think the Senator from Montana, probably, has deposits in his State, and there are such deposits in the State represented by the Senator from Colorado; those two States have, probably, the greatest deposits of manganese in this country; but even there my information is that those deposits are in comparatively small quantities; that they are found in comparatively small "pockets," and are not sufficient to supply the industry for more than two or three years at the outside.

Mr. WALSH of Montana. The Senator from Montana will be able to correct that statement before the consideration of the subject shall have been concluded.

Mr. WILLIS. I shall be very glad if the Senator will be able to correct it; but that is the latest information I have.

Mr. BURSUM. Mr. President—

Mr. WILLIS. I yield to the Senator from New Mexico.

Mr. BURSUM. I desire to call the attention of the Senator from Ohio to the fact that the Geological Survey has made a detailed survey of but a very small portion of the area of this country's resources. There are millions and millions of acres all over this country that the Geological Survey has never been able to examine. The Geological Survey is many years behind in its information. I do not make that statement as reflection on the ability of those who are connected with the Geological Survey, for the truth of the matter is that the Government has never given the Geological Survey sufficient support or appropriations to enable it to make thorough investigations. There might be billions of tons of manganese without there being any record of it so far as any knowledge which the Geological Survey might have obtained.

Mr. KELLOGG and Mr. WALSH of Montana addressed the Chair.

Mr. WILLIS. I yield first to the Senator from Minnesota.

Mr. KELLOGG. Mr. President, it appears, as I understand, in the hearings before the Committee on Finance that the Tariff Commission report is based upon the information fur-



nished by the Geological Survey; that many of their estimates are five or six years old; that they are out of date, and do not include large explorations of manganese ore and manganiferous iron ore which were developed during the war and immediately after the war. For instance, my State has developed about 40,000,000 tons of manganiferous iron ore which is available for the manufacture of steel in this country.

Mr. WALSH of Montana. Mr. President, I ventured to interrupt the distinguished Senator from Ohio because if the facts were as he assumes them to be there would scarcely be room for argument. If there is not enough of manganiferous ore in this country to warrant the belief that any considerable percentage of the domestic demand could be supplied from domestic sources, I suppose probably it would not fall within the protective principle. But I do not want the Senate to proceed upon the assumption that that is the established fact, although the Senator has accepted it.

Mr. WILLIS. Mr. President, I should be very glad if any later or more reliable information can be given to the Senate, but I venture to suggest to the Senator that the mere hypothesis that we have millions of tons of this material scattered around somewhere is a rather unsubstantial basis upon which to construct legislation that affects great industries employing hundreds of thousands of men.

Mr. WALSH of Montana. We all concede that statement to be true, and if there is no better basis than the mere general statement that there are hundreds of millions of tons of manganese in this country, it would scarcely be a safe factor for the guidance of the Senate; but I think that if the Senator will read the testimony taken before the committee he will find the figures to be much more substantial than a mere general statement. I shall be glad to supply further information on the subject.

Mr. WILLIS. My friend from Montana is an experienced, courageous, and able legislator, and he knows, as I know, although I do not know it so well as he, that men in their desire to make out a case will unconsciously perhaps overstate; in other words, in their enthusiasm, in a perfectly honorable and honest way, I think that the advocates of this practically prohibitive duty—and I am referring to what I have read in the hearings; and the duty is prohibitive, and I am astounded to find my friend from Montana advocating such a duty—in the enthusiasm of their cause have worked themselves up into the belief that there are deposits in this country that can be developed. I rely upon the latest information available, and, if I may have permission, I shall place in the Record at this point an excerpt from a letter from the Director of the Geological Survey dated October 6, 1921.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, it is so ordered.

The excerpt referred to is as follows:

The foregoing discussion of the charges and claims of Mr. Potts should not becloud the fundamental question of the amount of manganese-bearing materials remaining unmined in the United States, for that is the information which Congress needs. It is out of the question for the survey at the present time to attempt an exhaustive reexamination of all or even most of the principal deposits. In considering the present situation I do not think this is necessary. The estimates, even of qualified individuals, concerning the domestic resources of a number of minerals seem bound to differ widely. The estimates of mineral reserves by conservative persons, particularly those conscious of responsibility, will always seem ridiculously low to persons of different temperament and to those seeking to promote selfish ends. After considering the estimates of our domestic manganese reserves made by the survey during 1917 and 1918, the statements of production that have been filed by the producers with the survey, and other sources of information published or furnished informally since that time, I give herewith the survey's present impression of domestic manganese-ore reserves. There is fair assurance of the existence in domestic deposits of about 1,800,000 tons of material containing more than 35 per cent manganese, which are sufficient to make about 75,000,000 tons of steel by present practices. If the large reserves of lower grade material be considered, making proper allowances for necessary adjustments in steel plants and processes, the combined reserves are probably sufficient to make about twice as much steel, or 150,000,000 tons.

Very truly yours,

GEO. OTIS SMITH, Director.

Mr. WALSH of Montana. If the Senator will pardon a further interruption, I am willing to announce my concurrence with the view expressed by the Senator that the statements of gentlemen who come before the committee and make arguments concerning conditions upon which they expect to get high rates of duty are to be regarded, as a matter of course, with some degree of suspicion, at least with a high degree of scrutiny. We were read a lecture the other day for venturing to question some statements made from the other side of the Chamber. I am glad to recognize that the Senator from Ohio admits that statements made under certain conditions should be considered with some degree of care and not accepted without careful investigation.

Mr. NICHOLSON. Mr. President, will the Senator yield for a question?

Mr. WILLIS. I will yield to my friend in a moment. I desire to finish reading the statement from the Summary of Tariff Information which I think I had not completed. Then I will yield to my friend. I quote further from page 362 of the Tariff Information Summary:

Domestic resources have been carefully estimated and found to be insufficient to supply our requirements for more than a few years. Under normal trade conditions, with a free movement of ore from foreign countries, domestic manganese mining can not continue except on a limited scale.

Now I yield to the Senator from Colorado.

Mr. NICHOLSON. Mr. President, I wish to state first, for the information of the Senator, that the Geological Survey is one among some fourteen other bureaus in the Department of the Interior. Suppose that our petroleum industry had been dependent upon the reports made by the Geological Survey, what would be the petroleum production of this Nation to-day? I venture to say to the Senator from Ohio that when the tariff of 1883 was passed and a duty of 25 cents a ton was placed upon iron ore the Geological Survey reports did not disclose one-tenth of the iron deposits of the United States.

I should like to say further, for the information of the Senator, that the report of the Geological Survey from which he is reading is as misleading so far as manganese is concerned as were its reports in 1883 concerning the deposits of iron ore.

Mr. WILLIS. Mr. President, it raises in my mind, to borrow the language of my friend from Montana, a degree of suspicion or, at any rate, suggests exceeding care and scrutiny when in order to make out a case we must attack an agency of the Government and undertake to prove that it does not know what it is talking about. Perhaps the Geological Survey do not know what they are talking about, but Senators who undertake to say that the Geological Survey is without sufficient information, although they are supposed to know about it, owe it to the Senate to bring more convincing testimony than has been brought forth in any statement which has been made upon the floor or in any committee room, as shown by the hearings.

Mr. FRELINGHUYSEN and Mr. BURSUM addressed the Chair.

Mr. WILLIS. I yield first to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Have not the Geological Survey been relied upon as an authority heretofore in connection with information of similar character?

Mr. WILLIS. Absolutely; but in this instance their report does not coincide with the ideas of gentlemen who want a prohibitive duty on manganese, and therefore the Geological Survey is to be cast into "outer darkness, where there is wailing and gnashing of teeth."

Mr. NICHOLSON. Will the Senator yield to me to make one more statement concerning the Geological Survey?

Mr. WILLIS. Certainly.

Mr. NICHOLSON. The Geological Survey has had insufficient funds set aside for its work, so that it has not been in a position to carry on its investigations in a thorough and complete way. I have lived for many years in Colorado; and in that State, after the Geological Survey had made two surveys in the district and never reported that there was one ton of such ore within the confines of the Leadville district, there was discovered carbonate of zinc, and we shipped millions of tons of it.

I wish to say to the Senator from Ohio that I have spent 42 years of my life in mining; I have visited nearly all of the States that produce zinc and lead and manganese, and it is my opinion that, after a few years of intensive development, if all the manganese in the mines of the rest of the world were sealed up, the United States could produce sufficient manganese not only to take care of the iron industry in the United States but in the whole world.

Mr. WILLIS. Mr. President, I attach great weight to the opinion of my friend from Colorado, and have the most profound regard for him personally, but I think he is mistaken about this. For example, to see whether any real investigating work was done here, let us see about it. I am reading now from the hearings, at page 2098, to see whether they really did investigate this matter:

In this work 18 geologists, of whom 12 were members of this survey, specially chosen because of previous experience and other fitness, devoted a total of about 50 months to field examinations during 1917 and 1918.

Mr. BURSUM. How many?

Mr. WILLIS. Eighteen geologists, of whom 12 were members of the survey.

Mr. BURSUM. Of how large an area does the Senator think that those 12 geologists could make a detailed survey?

Mr. WILLIS. I am no more of a geologist than my friend from New Mexico is. I could not tell how much they could survey. I am simply calling attention to the fact that this idea that is put forth here, that there has not been anything of a careful survey, has nothing to support it. The fact is that the Geological Survey, which heretofore has been relied upon, is now assailed, and its conclusions are called in question simply because it did not find the information that Senators wanted.

Mr. WALSH of Montana. Mr. President, I desire to invite attention to the information now given to the Senate by the Senator from Ohio, namely, that the statement put out by the Geological Survey is based upon surveys made in the years 1917 and 1918. It will be understood that the manganese industry in this country, so far as it has any considerable proportions at all, was a development of the war; that the deposits were opened up during 1917 and 1918, much of them late in 1918, and many of them had not yet become producing at the time the armistice was signed in November, 1918. So that the Senator from Ohio, fair man as he is, must realize that the production since that time has been such as to show that the information relied upon which dates from 1917 and 1918 can not possibly be authoritative.

Mr. WILLIS. Oh, Mr. President, I did not say at all that no investigations were made subsequent to that time. The statement that I read—and I will place the whole paragraph in the RECORD here, at page 2098 of the hearings—was simply undertaking to show the thoroughness with which the work was done in those years. I am repelling the idea that because the department does not reach the conclusion that we think it ought to reach and that we hoped it would reach, therefore the whole thing is to be called in question.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from Ohio will be printed in the RECORD.

The matter referred to is as follows:

For your information I attach hereto a brief summary of the estimate of reserves prepared by Messrs. Harder and Hewett, in which the work is classified as to whether it was detailed or reconnaissance and as to whether estimates might warrant revision or not. In this work 18 geologists, of whom 12 were members of this survey, specially chosen because of previous experience and other fitness, devoted a total of about 50 months to field examinations during 1917 and 1918. Of the 1,181 deposits considered, 588 lie in districts where the work was of detailed character involving the preparation of geologic maps. It will be noted that the reserves of high-grade ore in these districts make up 80 per cent of the total in the United States and of the additional reserves in prospect almost the entire amount, if the carbonate ore of the Butte district be omitted. The reconnaissance work was done in districts that mostly offered small promise of reserves of high-grade ore, although a number of districts containing low-grade ore were considered in this manner only. The survey has never had any doubt that the reserves of low-grade manganese ore were adequate to meet any needs that the steel industry would impose for some years to come.

Mr. BURSUM. Mr. President, will the Senator yield?

Mr. WILLIS. Yes; I yield further, but I do want to go on. I do not want to occupy time, but I yield to the Senator from New Mexico.

Mr. BURSUM. I want to impress the Senator from Ohio with the fact that there is no disposition upon the part of anyone to charge inaccurate information on the part of the Geological Survey. What we do say is that the Geological Survey is not in possession of sufficient information—

Mr. WILLIS. To be accurate.

Mr. BURSUM. And that the reason is apparent, that the appropriations have not been such as to enable the Geological Survey to place a sufficient force in the field to make detailed surveys. It has simply been a physical impossibility.

Mr. WILLIS. Mr. President, I will join the Senator in endeavoring to secure more liberal appropriations for this bureau in the future; but I still cling to the lingering belief that that bureau is a tolerably reliable concern now, and I am inclined, until more reliable information is produced, to place credence in its reports.

Mr. ODDIE. Mr. President—

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Ohio yield to the Senator from Nevada?

Mr. WILLIS. I yield to the Senator from Nevada.

Mr. ODDIE. I should like to make a statement showing that the Geological Survey has been in error and has admitted its error.

In the hearings will be found a letter to the Finance Committee, dated March 10, 1922, from the Director of the Geological Survey, in which he says:

My attention has been called to a statement which appears on page 2100 of the tariff hearings, Schedule 3, being a quotation from certain comments made by me in a communication to the chairman of the Tariff Commission. These detailed comments were of the nature of a

reply to certain charges made before your committee, and, while intended to clarify the matter of the domestic reserves of manganese ore, contained, unfortunately, an inexplicable blunder, which unintentionally does injustice to a well-recognized large reserve of high-grade manganese ore at Butte. \* \* \* There is no question but that there are large deposits of manganese carbonate ore in the Butte district, and of the importance of those carbonate ores in the Emma mine at Butte.

That can apply to many other deposits in the United States, and there is an abundance of evidence to show that the deposits of manganese ore to-day are far in excess of any statements made in any of the Government reports.

Mr. WILLIS. Mr. President, I want now, if I can, to proceed for just a very few minutes and finish what I have in mind to say.

The trouble about the argument of those who desire to overturn the action of the committee is that they assume that if they find somewhere a metal containing a trace of manganese, that is a manganiferous ore, and therefore that is feasible to be used in the manufacture of steel. The fact of the business is that those low-grade ores can not be satisfactorily used. I call the attention of Senators to the fact, which they must admit to be a fact, that although the manufacturers of iron and steel may be charged with a great many things, everybody will have to admit that they are tolerably good business men, that they know their business fairly well, and, I repeat, I hold no brief for them.

If there were in the United States sufficient deposits of manganese, do not Senators suppose that those who have been responsible for the development of the great iron and steel industry of the country would have preferred to secure that material here? And do not Senators know also that every effort has been made to develop the various sources of supply, but it has been found, as I have said, that the material exists in little pockets here and there, and has not been found workable? This is a great industry, and it must have access to a reasonably certain source of supply.

Mr. NICHOLSON. Mr. President, may I ask the Senator another question?

Mr. WILLIS. Certainly.

Mr. NICHOLSON. Does the Senator feel that a duty of 1 cent a pound on the metallic content of all manganese ore imported into this country, which will add only 16 cents a ton to the cost of steel that is manufactured here, is going to destroy the steel industry? Does the Senator feel that that places an excessive burden upon the steel industry, in other words?

Mr. WILLIS. Mr. President, if I had felt that, I should have sought some way to give audible expression to it; but I have not said anything whatever of that sort, and it is apparent that I do not feel that way.

Mr. NICHOLSON. But that is the very question involved here. Does the Senator think that 16 cents added to the cost of a ton of steel in this country is going to destroy the steel industry of the United States?

Mr. WILLIS. Oh, certainly not. I have not made any such suggestion, that it would destroy the steel industry. The Senator knows that.

Mr. NICHOLSON. Why, then, does the Senator oppose this?

Mr. WILLIS. Because I do not desire to have the Senator—if he wants me to say it—unwittingly play into the hands of the United States Steel Corporation, which manufactures its own ferromanganese, and which, if his plan goes through, will have a monopoly of the thing. That is why.

Mr. NICHOLSON. I think I have clearly shown to the Senator that at the places where the independents get their supply of manganese ore it is mined by labor which is paid 6 and 7 cents a day.

Mr. WILLIS. Yes; but that does not respond to what I have just stated to the Senator.

Mr. NICHOLSON. Yes; it does.

Mr. WILLIS. No; that makes no response at all. The fact is—

Mr. POMERENE. Mr. President—

Mr. WILLIS. Let me answer the statement just a little bit further. As I say, I am not at this time discussing the rates upon iron and steel. We will meet that question when we come to it, and the Senator will find that I will go as far as he will to insist that those rates shall be fair; but the fact is that unwittingly the placing of an excessive—a prohibitive—duty upon manganese plays directly into the hands of the United States Steel Corporation, which is the only great steel company that manufactures its ferromanganese. The Senator, in his desire—perfectly commendable and perfectly sincere—is playing into the hands of the corporation that he is denouncing



and putting a burden on the shoulders of those that he would favor. There is not any question about that fact.

Mr. WALSH of Montana. Mr. President, I have been endeavoring to follow the Senator from Ohio; and I must confess that I do not quite understand how, if the Steel Corporation, which manufactures its own ferromanganese, is obliged—

Mr. WILLIS. And the other companies do not, I will say to the Senate. The so-called independent companies do not.

Mr. WALSH of Montana. Yes; the United States Steel Corporation produces its own ferromanganese.

Mr. WILLIS. Yes; that is my understanding.

Mr. WALSH of Montana. Utilizing, of course, manganiferous ores. If a duty is placed upon the importation from a foreign country of manganiferous ores, just how does that help the United States Steel Corporation, which manufactures ferromanganese?

Mr. WILLIS. It must be perfectly apparent to the Senator that if there were only a reasonable duty upon ferromanganese, or if it should be on the free list—personally, I should very much prefer a reasonable duty, though those materials have heretofore been on the free list, and are now on the free list—but if they should be on the free list or come in under only a reasonable duty, it must be perfectly apparent to the Senator that the so-called independent companies, the smaller companies, will have a very much better opportunity of getting their materials than they will have if a practically prohibitive duty is placed upon the importation of this material.

Mr. WALSH of Montana. I can very well understand, Mr. President, that if the manganese ores were admitted free and a duty were imposed upon the ferromanganese that would, of course, operate to the interest of the United States Steel Corporation, which is engaged in the manufacture of ferromanganese; but that would be because of the duty on ferromanganese and not because of the duty on manganese ores. As I understand, we are not now considering the duty on ferromanganese; we are considering the duty on manganese.

Mr. WILLIS. I understand that perfectly well. What I am trying to show to the Senate is that we are about to do the thing that so many times heretofore in legislation has been done in haste and in a spirit of hate, and I am speaking of this only because of the exceedingly critical character of the address and argument made by my friend from Colorado. In order to "get" the United States Steel Corporation, which is alleged to be making great profits, we are likely to do a thing here that really does not increase the burden of the United States Steel Corporation so greatly as it does the burden of the so-called independent companies.

Mr. WALSH of Montana. I have not the slightest objection to the Senator pursuing that argument with the Senator from Colorado, and I should not think of interrupting, but that was not the point. The Senator laid down with very much vigor and force the proposition that those who are in favor of a duty on manganese ore—

Mr. WILLIS. A prohibitive duty, if the Senator will permit me to correct him.

Mr. WALSH of Montana. A prohibitive duty, for that matter, were playing into the hands of the United States Steel Corporation, which, so far as I know, owns no mines in this country valuable because of the manganese content.

Mr. WILLIS. It owned a number of mines, but abandoned most of them, because they were found not to be profitable.

Mr. WALSH of Montana. I am talking about owning producing manganese mines. It does own mines in Brazil, and of course wants to have the ores introduced without duty, the independent companies owning no foreign supplies so far as my information goes.

Mr. WILLIS. Then is it not evident to the Senator that if you shut out all manganese ores from elsewhere you have given a very practical and substantial advantage to the United States Steel Corporation, which, by the Senator's own statement, does own tremendous mines in Brazil? That is perfectly clear to me.

Mr. WALSH of Montana. I should think not. I should think being obliged to pay a duty upon the ores which it gets from Brazil and other places would work to the disadvantage of the steel company.

Mr. WILLIS. I think it would be very much more to the disadvantage of the independents, who did not have any mines anywhere, if their foreign supply were cut off.

Mr. WALSH of Montana. Why?

Mr. WILLIS. That is very clear to me. If the Senator can not see that, I do not want to take the time to discuss it with him, but I think the Senator will see it if he thinks it over.

Mr. WALSH of Montana. Of course if the Senator wants to abandon that argument—

Mr. WILLIS. The Senator does not want to abandon it. I insist upon it with a great deal of vigor, and I say it is a fact, that if this goes through as suggested by the Senator from Colorado, out of a desire to injure or to put a limitation upon one concern, you will really practically give it more advantage over the independent concerns than it now has.

According to the latest figures I have available, in 1921 we produced 85,000 tons of manganese ore, of workable character, not where there is a trace of manganese in it but ore running 35 per cent or above. The normal requirement of manufacture in this country is about ten times that much. We are now producing practically one-tenth of what we must have. I put it to Senators whether it is wise, just in one fell swoop, to say to these people who up to date have been able to produce only one-tenth of what is used in the country that they shall be called upon to produce all that is to be used.

Mr. NICHOLSON. I assume that the Senator from Ohio wants to be fair.

Mr. WILLIS. I am fair.

Mr. NICHOLSON. But his information is misleading in this, that he knows that it is impossible for the miners of the United States to produce this manganese in competition with the cheap labor that is employed in its production abroad. I know the Senator from Ohio, if he will consider these facts, will find the reason for the decline in the production of manganese ore after the armistice was signed. It was because the steel companies, the independents and the United States Steel Corporation, purchased their ores where they could buy them the cheapest. It was not a fact that we did not have any here, but we could not produce it as cheaply as it was produced abroad, and I want to say to the Senator that if we were to produce this ore as cheaply as it is produced abroad it would place the shackles of slavery upon the laborers of America.

Mr. BURSUM. Mr. President—

Mr. WILLIS. Let me answer one Senator at a time. I say to my friend from Colorado that if he had suggested a reasonable rate of duty the situation would have been different. I am in favor of taking pretty strong medicine in the matter of protective tariff duties, as the Senator knows, and I will go a long way to establish protective duties, because I believe in developing American industry; but I do not believe it is in harmony with Republican doctrine to write duties which are prohibitive, and if there has been monopoly in the steel industry I do not think it is wise to undertake to correct that by building another monopoly in the manganese industry. I think if the Senator had suggested a reasonable rate of duty there would have been no difficulty about it at all. Now I yield to the Senator from New Mexico.

Mr. BURSUM. Does the Senator from Ohio believe that a duty which involves practically seven-tenths of 1 per cent on the finished product is prohibitive?

Mr. WILLIS. Practically so; yes. I do not think it would destroy that industry; do not misunderstand me; but I think it is practically a prohibitive duty. That is the hope of the Senator, is it not? He is for it, and he wants it to be prohibitive. He does not want any of this foreign material to come in. I do not remember how much he said there was scattered all around in the West, so that you could find it anywhere; could scoop it up.

Mr. BURSUM. I believe that every ounce of manganese that can be produced by American labor ought to be produced in this country.

Mr. WILLIS. So do I, if it can be produced economically, and in a quantity sufficient to supply the market; but I do not believe that if you find a teaspoonful here and a teapotful over yonder you ought to say to a great industry that needs 800,000 tons a year: "You have to rely on these doubtful sources of supply." Let us put on a reasonable protective duty and develop the industry rather than build a wall so high that we can not defend the rate before the people. This makes a rate of about 120 per cent, and I think there is no defense for it.

Mr. BURSUM. We must either give the miner a chance to live, or we had better not give him any duty. We can not expect miners to live on bread and water.

Mr. WILLIS. No, Mr. President; my friend and I can not get into any argument about that, because we believe in exactly the same theory. The fact is that the Senator is proposing to place a rate that is prohibitive; he wants it prohibitive; I think the better way would be to place a reasonable rate on it, to see whether it is true that the Geological Survey is mistaken, and that the reports of the scientific men are all wrong. I hope they are; I hope we will find mountains of manganese here; but

I think until we find them it is unwise to so legislate as to prohibit the importation of it. I yield the floor.

Mr. BURSUM. The Senator will admit that if we have not the supply of manganese in this country of necessity we will have to import the supply, the same as we are doing now. Even if that were true, as I see it, this would be no serious matter, nothing that would shut down the production of steel in this country.

Mr. WILLIS. I do not desire to be misunderstood or misquoted. I have not said or thought that this was going to shut down the production of steel in this country. I have never entertained such an idea.

Mr. BURSUM. The Senator has time and again said this duty was prohibitive. What did he mean by that?

Mr. WILLIS. I meant that it was prohibitive in that foreign manganese could not come in, and that we would have to have access to these little sources of supply in this country, where admittedly the ore can not, in my opinion, be economically mined.

Mr. BURSUM. If the statement of the Senator from Ohio is true—

Mr. WILLIS. It is true.

Mr. BURSUM. That this duty is prohibitive, that is an admission that we can produce the manganese in this country.

Mr. WILLIS. Certainly. I have said that. The Senator does not need to argue to prove that, because I have said that a number of times, if we want to rely upon these little pocket deposits.

Mr. BURSUM. The Senator makes the statement that this duty is prohibitive, and that would imply that the seven-tenths of 1 per cent which this would increase the cost of the finished product, or the manufactured steel, would be a prohibitive rate, because, after all, the question as to whether a duty is prohibitive or not depends entirely upon its effect upon the manufactured product. I suggest that prior to the war we produced no manganese. Certainly, on account of the impossibility of importing manganese from other countries, from those places were our industrial concerns had been in the habit of purchasing their supplies, it became vital to the country that manganese be produced in this country.

The miners all over this country were asked to go out and prospect and hunt for it, to locate the supplies of manganese, and develop the mines which might yield a production to the Nation in time of great necessity; and, surprising as it was, the miners of this country were able to supply all the requirements during the war. They scarcely developed the product to a point of economical production. Now, I contend it would be unjust to say to these miners, "You developed your property; you have done so at great expense, and now we do not need you. We can get our supplies from Brazil, or from China, or from some other country. We can bring those supplies in as ballast. We can deliver manganese here much cheaper than you can produce it. We are not going to give you protection which will permit you to operate."

I say that is manifestly unjust, that it is unfair, it is wrong to say to the miner, "You either compete with 60-cent laborers of China or the cheap labor of Brazil, or your property will be idle." I say that is unfair and not in harmony with the doctrine of protection to American labor and American industry.

I submit that one of our troubles in this country is high freight rates, and it has been contended, and I believe rightfully so, that one of the reasons why the rates can not be reduced is that there has not been a sufficient volume of tonnage. Develop the mining resources of this country, develop this manganese industry, and it will be a great factor toward giving the railroads a large tonnage of freight, which will be a contributing factor toward making possible lower freight rates. It is impossible for the railroads of the country to compete with tonnage that is brought over in ballast. It simply can not be done.

Mr. FRELINGHUYSEN. Mr. President, in the interest of accuracy, I want to introduce into the RECORD a letter which has been so often quoted in this debate, of Director of the Geological Survey Mr. George Otis Smith in reply to the statement of Charles W. Potts. I want that to go into the RECORD, and also the letter which was partially read by the Senator from Nevada [Mr. ODDIE], now occupying the chair, in which the Director of the Geological Survey admitted the deposits of manganese ore in the Montana district, which is perfectly true.

There is a large deposit of ore there—how extensive has never yet been determined. But I want to point out in the letter, which I ask to have printed in the RECORD, the statement of the director, in justice to him, in which he says:

Finally, to show the unintentional character of what now seems a misstatement, permit me to quote the concluding paragraph of my letter of October 7, also addressed to Dr. Page (see p. 2097 of hearings). In this letter, written only a day later than the submission of the other comments, I make a statement which in my opinion is absolutely correct and does not need the change of a single word.

I ask that this entire letter be printed in the RECORD, with the other letter from the director to which I have already called attention.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,  
UNITED STATES GEOLOGICAL SURVEY,  
Washington, October 6, 1921.

Dr. THOMAS WALKER PAGE,  
Chairman United States Tariff Commission.

DEAR DOCTOR PAGE: I have received your letter of September 30 with reference to the statements of Mr. C. W. Potts before the Committee on Finance of the United States Senate.

Mr. Potts's charges are of such a character and of such wide range that they demand rather detailed consideration. It has seemed best, therefore, to prepare rather full answers to each type of charge. I give below a summary of my reply. Considering the reception given to the charges by the Senate committee, I suggest that Mr. Potts be given an opportunity to retract the charges and, if possible, to reappear before the committee under circumstances that permit cross-examination. I need scarcely assure you that you are at liberty to use both this letter and the attached statement as you wish.

Mr. Potts's charges that the survey's estimates of manganese-ore reserves are based upon superficial examinations and obsolete reports and that the examinations were undertaken with pessimism are untrue. His further charges that the reports of reserves in the Butte district are not consistent with reports of production and that the World Atlas of Commercial Geology was based upon material available in 1913 are not only untrue but arise out of his very superficial examination of and careless reference to the publications. On the other hand, he has refused, for the present at least, to give the survey access to the data and methods by which his estimate of 10,000,000 tons of 42 per cent ore was reached. Further, by partial statements and by the incorrect use of data submitted to him, he has reached conclusions which are obviously unsound.

The foregoing discussion of the charges and claims of Mr. Potts should not becloud the fundamental question of the amount of manganese-bearing materials remaining unmined in the United States, for that is the information which Congress needs. It is out of the question for the survey at the present time to attempt an exhaustive reexamination of all or even most of the principal deposits. In considering the present situation I do not think this is necessary. The estimates, even of qualified individuals, concerning the domestic resources of a number of minerals seem bound to differ widely. The estimates of mineral reserves by conservative persons, particularly those conscious of responsibility, will always seem ridiculously low to persons of different temperament and to those seeking to promote selfish ends. After considering the estimates of our domestic manganese reserves made by the survey during 1917 and 1918, the statements of production that have been filed by the producers with the survey, and other sources of information published or furnished informally since that time, I give herewith the survey's present impression of domestic manganese-ore reserves. There is fair assurance of the existence in domestic deposits of about 1,800,000 tons of material containing more than 35 per cent manganese, which are sufficient to make about 75,000,000 tons of steel by present practices. If the large reserves of lower grade material be considered, making proper allowances for necessary adjustments in steel plants and processes, the combined reserves are probably sufficient to make about twice as much steel, or 150,000,000 tons.

Very truly yours,

GEO. OTIS SMITH, Director.

DEPARTMENT OF THE INTERIOR,  
UNITED STATES GEOLOGICAL SURVEY, OFFICE OF THE DIRECTOR,  
Washington, March 9, 1922.

Hon. PORTER J. MCCUMBER,  
Chairman Finance Committee, United States Senate.

MY DEAR SENATOR: My attention has been called to a statement which appears on page 2100 of the Tariff Hearings, Schedule 3, being a quotation from certain comments made by me in a communication to the chairman of the Tariff Commission. These detailed comments were of the nature of a reply to certain charges made before your committee, and while intended to clarify the matter of the domestic reserves of manganese ore, contained, unfortunately, an inexplicable blunder which unintentionally does injustice to a well recognized large reserve of high-grade manganese ore at Butte. The statements now made by the Anaconda Copper Mining Co. and Mr. A. J. Seligman are not necessary to set this matter right in my mind, since the same figures of ore shipments for 1918 are already on record with the Geological Survey, being confidentially reported early in 1919 by the Anaconda Copper Mining Co.

There is no question but that there are large deposits of manganese carbonate ore in the Butte district, and the importance of these carbonate ores in the Emma mine at Butte was in fact recognized in 1917 at the time of the study of this district by Mr. Pardee, a geologist of this survey, but at that time no tonnage estimate was regarded as possible, although the high quality of these ores was stated in the survey report "Manganese at Butte, Mont.," published in April, 1918, and later in the same year the table of manganese ore reserves in the United States specifically states that the estimate of tonnage given "does not include large deposits of carbonate ore, 35 to 38 per cent of manganese."

The paragraph in the hearings to which attention has been called (bottom of page 2100 and top of page 2101) seems to be in error in its mention of concentration of low-grade oxide ore. The fact well known to Mr. Hewett and Mr. Pardee, and in fact to all of us who kept in touch with the subject during the search for manganese ores, is that large bodies of high-grade carbonate manganese ores exist in the Emma mine at Butte and were being mined in 1918. However, in showing up what seemed to me Mr. Potts's unfairness in handling the survey



reports, Mr. Hewett himself seems to have confused concentrated low-grade oxide ore with these shipments from the Emma mine. Unfortunately, Mr. Hewett is now in the field in Nevada, but rather than wait for his explanation of what now appears to me a careless statement, due possibly to the fact that the detailed comment appearing on pages 2097 to 2100 was prepared by Mr. Hewett last October on the eve of his leaving the city on a field trip, I am now submitting this correction and if I hear anything to modify this explanation I will later inform you.

Finally, to show the unintentional character of what now seems a misstatement, permit me to quote the concluding paragraph of my letter of October 7, also addressed to Doctor Page (see page 2097 of hearings). In this letter, written only a day later than the submission of the other comments, I make a statement which in my opinion is absolutely correct and does not need the change of a single word. This brings out the essential fact that the large shipments from the Emma mine in 1918 and 1920 were of a wholly different character from the 2,800 tons of high-grade oxide ore estimated by the Geological Survey.

On the same page in an earlier paragraph Mr. Potts reiterates his reference to the 2,800 tons of high-grade ore in the Butte district, with which he compares a many times larger tonnage of ore shipped from the same district, not specifying, however, the kind of ore so shipped, the survey's distinction in its estimate between oxide and carbonate ores being either unnoticed by Mr. Potts, as he stated to Mr. Hewett, or disregarded by him in his very plain purpose to discredit the United States Geological Survey.

Yours very cordially,

GEORGE OTIS SMITH, *Director*.

Mr. FRELINGHUYSEN. Mr. President, the manganese ore was transferred to the free list only after a very thorough examination by the committee of all the available evidence. The committee reported on manganese as follows:

The transfer of manganese ore to the free list is a further illustration of this policy. Data as to domestic resources have been prepared by the Geological Survey and the Tariff Commission, and their evidence upholds the conclusion that domestic resources of manganese ore are insufficient in quantity to provide adequate supplies of this important metal for any considerable period.

The question in the minds of the committee was whether there was a sufficient supply available in this country for more than two or three years. There is extreme doubt, and the Geological Survey confidently claim that the present resources will not last over that length of time.

The record of manganese production during the war was this—and I read from the Tariff Commission, who made a thorough study of the situation and presented this summary of information:

Prior to the war we produced less than 1 per cent of our manganese requirements, the output rarely exceeding 4,000 tons of high-grade ore. In 1915 production of high-grade ore (metallic content 35 per cent or more) increased to nearly 10,000 tons; in 1916, to 31,000 tons; in 1917, to 129,000 tons; and in 1918, to approximately 305,869 tons. In 1919 it fell to less than 50,000 tons—

I may point out that at the period of the higher production of ferromanganese the metal content sold as high as \$450 per ton, which, of course, encouraged the mines to produce. It paid for the expense of mining operations and for the development as well—

but in 1920 increased to about 94,000 tons. During the war the production of manganese ore was a profitable industry in many localities, but only because prices were from three to four times pre-war quotations. Foreign ores are of a better general grade and more easily mined, averaging from 45 to 55 per cent manganese, as compared with domestic "high grade" running from 35 to 45 per cent. Operating costs here are much higher than abroad. American mines being situated far from points of consumption, and often at considerable distances from railroads. Domestic resources have been carefully estimated and found to be insufficient to supply our requirements for more than a few years. Under normal trade conditions, with a free movement of ore from foreign countries, domestic manganese mining can not continue except on a limited scale.

The testimony before the committee showed that the duty of 1 cent per pound on the ore would cost the independent companies \$8,000,000. If there is a prospect in this country of sufficient deposits of manganese ore, if it had been shown at the hearings and by the reports of the one recognized authority upon which we depended, the Geological Survey, that there would become available deposits of manganese, undoubtedly the committee would have protected it in order that there might be a sufficient duty to develop the industry and to mine the ore. But the committee did not believe that condition existed, and did not have such information. Of course, certain of the western mining associations believe that it exists. It may exist, but is it a wise policy with that remote possibility to place a burden of \$8,000,000 upon the steel industry of the country? It might be worth it if we were assured of a continued supply for all time.

But upon whom does the burden rest? It is not upon the United States Steel Corporation, because they import their ore from Brazil. They have their own reduction furnaces and they can absorb the losses. But when the Taylor Iron & Steel Co., for instance, which makes ferrosteel, and when several other smaller steel corporations have to go out in the open market and pay the increased duty and be subject to the demands of

the importer of ferromanganese metal, it means that those independent corporations have a heavier burden by reason of the fact that they have to go into the open market, and they have not the resources or have not the income to mark off their losses.

Whether it were wise or not I am not going to say, but the opinion of the committee was that there was not a sufficient supply of manganese ore in the country, and there is nothing to show it, and therefore the committee felt that it was unwise to take this product off the free list and put a duty upon it. That was the position of the committee.

Mr. WALSH of Montana. Mr. President, by section 315 of the bill it is provided as follows:

That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended whenever the President, upon investigation of the differences in conditions of competition in trade in the markets of the United States of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in conditions of competition in trade he shall, by such investigation, ascertain said differences and determine and proclaim the changes in classifications or forms of duty or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in conditions of competition in trade necessary to equalize the same in the markets of the United States.

That is declared to be the policy and the principle of the bill, namely, to fix the duties upon articles produced alike in this country and in foreign countries at such a rate as will equalize the differences in competition.

In view of the attitude taken by Senators with reference to this particular item, as well as a few more, I think it will be necessary, Mr. President, to make a slight amendment of that provision, namely, to except from its operation those articles that enter into the competition of steel, and to provide that those shall not be subjected to this rule.

Mr. President, conceal it as anyone may, gloss it over as anyone may choose to do, there is one reason and one reason only why the committee took this item off the dutiable list and put it upon the free list, and that is because it would be a tax upon the manufactures of steel in this country. Candor and frankness would compel an admission to that effect.

The Senator from Ohio [Mr. WILLIS] asserts as the basis of his contention that ores containing manganese exist in such limited quantities in this country as that it will be impossible to develop the industry and thus supply in any considerable amount the demands of domestic consumption. The statement is made upon the floor here as though the question were not an open debated one before the committee which considered the bill. The Senator from New Jersey [Mr. FRELINGHUYSEN] now tells us, not really that the supplies do not exist but that the committee had no information upon which it could justify itself in believing that the supplies exist in this country. I shall call attention to the testimony with reference to that matter presently as it was given before the committee.

Now, the fact is not only that it is well established that the supplies are here but that the committee had information to that effect. So far as the supplies are concerned, Mr. President, and the possibility of the development of the manganese industry in this country to a point where it will measurably supply the demands of domestic consumption, I want to call attention to what the record shows.

Some figures were submitted by the distinguished Senator from New Jersey upon that matter. Let me show something about the development of the industry, the possibility of its expansion and extension first. In 1910 there was produced in this country of ore containing 35 per cent of manganese or more only 2,258 tons, and the amount did not increase until 1915 by reason of war demands in any substantial amount, the production of 35 per cent manganese for that year being only 9,613 tons. The war demand, however, increased the production so that in 1916 there were 31,474 tons produced. Bear in mind this is not the low-grade ore at all. It is ore containing 35 per cent or more of manganese, which is a high-grade ore.

In 1917, when we went into the war, the production of this ore increased to 129,405 tons; in 1918 to 305,869 tons; and thus it will be perceived that the quantity was continually increasing as the demand for it existed; but when the armistice was signed and the demand was shut off, the production fell in 1919 to 55,322 tons. In 1920 it rose to 94,420 tons, but in 1921 fell again to 13,000 tons.

We are advised, however, Mr. President, that the quantity of high-grade manganese ore in the country is inconsiderable, and the Senator from Ohio [Mr. WILLIS] tells us that the ore contains only a modicum of manganese. In addition to the supply

of high-grade manganese to which I have called attention there was produced in the United States during 1915, of ore containing from 10 to 35 per cent manganese, 185,000 tons; in 1916 there were 453,000 tons; in 1917, 730,000 tons; in 1918, 916,000 tons; and then the production dropped in the next year to 399,000 tons; in 1920, to 481,000 tons; and in 1921, to 72,000 tons.

But we can go beyond that and utilize ores by concentration very profitably that contain from 5 to 10 per cent of manganese and of these ores enormous quantities were produced in this country. I shall offer for the Record the table which I hold in my hand, which is based upon the reports of the Geological Survey and the Bureau of Mines. It will be interesting to note about what percentage of the domestic demand was thus supplied from the domestic sources which we are told are so lean and so rare as to be incapable of development. I trust I may have the attention of the Senator from New Jersey [Mr. FRELINGHUYSEN], because, perhaps, the figures which I am about to quote have not had his notice.

In 1910 we produced in this country only 1.8 per cent of all the manganese utilized in domestic industry; in 1915 our production jumped to 9.1 per cent; in 1916 to 13.2 per cent; in 1917 we were producing 27.2 per cent of the entire domestic consumption; in 1918 we produced almost one-half of all the manganese used in this country—46.6 per cent. Then in the same way the percentage dropped to 24.5 per cent in 1919; to 20.2 per cent in 1920; and to 6.1 per cent in 1921. These important and illuminating tables, Mr. President, I ask to be printed in the Record in connection with my remarks as a complete refutation of the contention that the American supply is not worthy of development and is incapable of supplying the domestic demand.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, it is so ordered.

The tables referred to are as follows:

**PRODUCTION OF MANGANESE IN THE UNITED STATES COMPARED WITH IMPORTATION OF MANGANESE.**

**EXPLANATION.**

[Charts omitted in the Record.]

Domestic ore produced: Shipping grades of domestic manganese used for steel making are roughly divided into two classes of ores, viz: (1) High grade, containing 35 per cent manganese or more. (2) Combined manganese and iron ores (of which this country has the largest known developed deposits in the world), in which the manganese content is from 5 per cent to 35 per cent and the balance of the metallic content is iron. In this chart all domestic manganese-bearing ore is reduced to terms of high-grade ore.

Imports of manganese ore and ferromanganese: In pre-war times about half of the manganese requirements for steel making was imported in the form of ore, the other half was imported in the crude alloy, ferromanganese. In this chart all importations of manganese are expressed in terms of high-grade ore.

Year.	Production of manganese ore in the United States. <sup>1</sup>	Imports of manganese ore and ferro-manganese into United States. <sup>2</sup>	Year.	Production of manganese ore in the United States.	Imports of manganese ore and ferro-manganese into United States.
	<i>Long tons.</i>	<i>Long tons.</i>		<i>Long tons.</i>	<i>Long tons.</i>
1910.....	10,510	527,918	1916.....	122,245	803,641
1911.....	9,974	377,510	1917.....	275,565	734,895
1912.....	9,837	548,504	1918.....	489,102	559,223
1913.....	14,350	665,265	1919.....	135,289	415,899
1914.....	20,968	490,787	1920.....	190,670	755,072
1915.....	45,804	458,936	1921.....	27,400	423,998

<sup>1</sup> Includes total tonnage containing 35 per cent + manganese and one-fifth tonnage 10-35 per cent grade.

<sup>2</sup> Includes total tonnage high-grade ore and two and one-half times the tonnage of ferromanganese.

NOTE.—This adjustment of medium grade ore to the high-grade basis and of ferromanganese to the ore basis is made necessary in order to accurately compare domestic production with imports.

In the pre-war period, when there were no protective regulations for manganese, there was relatively no domestic ore mined. Pauper labor in India, China, and Russia, and cheap labor in Brazil mined this ore. The steel makers depended on foreign supplies. There was no incentive for development of American deposits.

The partial embargoes imposed as a war measure resulted in the remarkable increase of production shown in above chart.

Less than 10 per cent of the known manganese deposits of the United States were in operation in 1918. Very few of the mines opened up had got to the shipping point, practically no mines had the equipment installed or even purchased to advantageously produce ore, and not 5 per cent of the mines had installed the necessary equipment for concentrating the ores or improving their grades.

About 500 mines were operating or getting started, 7,000 men were employed, \$15,000,000 was invested under Government encouragement. America showed its ability to produce. The steel industry, which has developed under and by reason of protection, is the opponent of manganese protection. The great mass of the American people who know the facts concerning a tariff for manganese approve. Shall the people rule?

**United States manganese production—1910-1921.<sup>1</sup>**

[Long tons.]

Year	Ore containing 35 per cent of manganese or more.	Ore containing 10 to 35 per cent of manganese.	Ore containing 5 to 10 per cent of manganese.	Total. <sup>2</sup>
1910.....	2,258	41,260	19,841	63,359
1911.....	2,457	37,584	6,853	46,894
1912.....	1,664	40,863	10,654	53,181
1913.....	4,048	51,512	7,891	63,451
1914.....	2,635	91,666	6,599	100,900
1915.....	9,613	180,953	13,982	204,548
1916.....	31,474	453,853	89,447	574,774
1917.....	129,405	730,759	130,044	990,208
1918.....	305,869	916,163	252,615	1,474,647
1919.....	55,322	399,834	123,055	578,211
1920.....	94,420	481,249	285,165	860,834
1921.....	13,000	72,000	14,000	99,000

<sup>1</sup> U. S. Geological Survey Reports.

<sup>2</sup> Excludes ore containing less than 5 per cent manganese.

<sup>3</sup> Estimated by U. S. Geological Survey.

**Percentage domestic production of manganese consumption in United States, 1910-1921.**

[Long tons.]

	United States production <sup>1</sup> of manganese ore.	United States net imports <sup>2</sup> of manganese ore and ferro-manganese.	United States consumption <sup>3</sup> of manganese production plus imports.	Percentage production of manganese consumption.
1910.....	10,510	527,918	538,428	1.8
1911.....	9,974	377,510	387,484	2.6
1912.....	9,837	548,504	558,341	1.8
1913.....	14,350	665,265	679,615	2.1
1914.....	20,968	490,787	511,755	4.1
1915.....	45,804	458,936	504,740	9.1
1916.....	122,245	803,641	925,886	13.2
1917.....	275,565	734,895	1,010,460	27.2
1918.....	489,102	559,223	1,048,325	46.6
1919.....	135,289	415,899	551,188	24.5
1920.....	190,670	755,072	945,742	20.2
1921.....	27,400	423,998	451,398	6.1

<sup>1</sup> Includes total tonnage containing 35 per cent manganese and one-fifth tonnage 10 per cent-35 per cent grade.

<sup>2</sup> Includes total tonnage high-grade ore and two and one-half times the tonnage of ferromanganese.

<sup>3</sup> With exception of a small tonnage of imported spiegeleisen, this total represents the manganese consumption of the United States.

NOTE.—This adjustment of medium-grade ore to the high-grade basis and of ferromanganese to the ore basis is made necessary in order to accurately compare domestic production with imports.

Mr. FRELINGHUYSEN and Mr. SHORTRIDGE addressed the Chair.

Mr. WALSH of Montana. I yield first to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Has the Senator from Montana any figures showing the percentage of the ferromanganese content of the ores which we produce?

Mr. WALSH of Montana. I have called attention to that. The ores are classified as ores containing more than 35 per cent, ores containing from 10 to 35 per cent, and ores containing from 5 to 10 per cent of manganese.

Mr. FRELINGHUYSEN. Is it not true that the line of demarcation between the ore which may be utilized for ferromanganese and which may be utilized for spiegeleisen, so called, is 40 per cent, and that below that it is penalized?

Mr. WALSH of Montana. I think not. I shall have something to say about that a little later on.

However, Mr. President, I wish first to take up the contention advanced here, based upon the report of the Tariff Commission, which is merely a reproduction of the statement made in the report of the Geological Survey, to the effect that the domestic supplies are limited and are not adequate to meet the demands for more than two years.

Mr. SHORTRIDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from California?

Mr. WALSH of Montana. I yield to the Senator from California.

Mr. SHORTRIDGE. The Senator from Montana has quoted some very important figures showing gradually a great increase in production of manganese and then a falling off. In aid of his thought, with which I fully agree so far as he has proceeded, I desire to suggest that the Senator at this point suggest why



there was a falling off in the production from our American mines.

Mr. WALSH of Montana. That is perfectly obvious.

Mr. SHORTRIDGE. I think so, but I should be glad to have the Senator from Montana state it.

Mr. WALSH of Montana. It was due as a matter of fact to two considerations: In the first place, during the war the steel industry was keyed up to its very limit. The manufacture of steel for war purposes and for purposes incident to war was stimulated in all countries which were engaged in that war, and, consequently, the demand was very great. I have not at hand the production of steel during the subsequent years, but I have no doubt there was a great falling off.

In the second place, as a matter of fact the industry was developed in this country during the war to a very large extent because we were unable to command the shipping necessary to bring the supplies here from foreign countries. As soon, however, as the armistice was declared, at least as soon as repatriation was completed, the ships were released and could then engage in the business of carrying supplies from foreign countries.

Mr. SHORTRIDGE. Is it not a fact that there is no evidence whatever that the falling off in the production of manganese in this country was due to any lack of minable ore?

Mr. WALSH of Montana. There was no evidence whatever that there was any exhaustion of domestic supplies, or that the mines were worked out or anything of that kind.

Mr. FRELINGHUYSEN. Mr. President—

Mr. WALSH of Montana. If the Senator will pardon me, I desire to say that the fact about the matter is that in my State, which, I may say, is far and away the leading producer of manganese, a large number of mines were opened up and were brought right to the productive stage when the armistice was signed and the crash came. Those supplies have never been touched, but, Mr. President, none of the mines that were opened up in my State have shown any indication whatever of exhaustion, a circumstance with reference to which I shall dwell at some length before I conclude. Now I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I merely wish to point out that in the hearings before the Committee on Finance there appears this testimony from the president of the Republic Steel Co., one of the independents, which use this alloy:

But it was not stated on the floor of the House why the miners of manganese in these States went out of business when the war ended. The reason was not because of free trade in manganese, but because there was no market for domestic lean and high-silicon manganese ores when the richer foreign products of Brazil, India, and Russia were again available.

Mr. WALSH of Montana. That is the statement of the president of a steel company?

Mr. FRELINGHUYSEN. Yes; that is the statement of the president of a steel company.

Mr. WALSH of Montana. I will furnish information about that before I get through.

I might say further with respect to the question addressed to me by the Senator from California that it is recognized upon all hands that the great difficulty in the situation is the matter of freight rates. The transcontinental freight charges so far exceed the cost of transportation by water from foreign sources that the matter of the relative difference in the cost of production at the mines is not so important.

Mr. President, touching the information given to the Senate so definitely by the Senator from Ohio [Mr. WILLIS], and concurred in by the Senator from New Jersey [Mr. FRELINGHUYSEN] so far as the committee is concerned, that the domestic supplies are not of sufficient extent to warrant the development of the industry, it was disclosed further in the course of the discussion by the Senator from Ohio that the information upon which the statement made by the Geological Survey was based was all derived prior to the year 1918. I have pointed out that prior to 1915 the production in this country, we might properly say, was inconsequential, being 1 or 2 per cent of the total requirements; but when the war broke out in Europe, and before our participation in it, the mines in the South, chiefly in Arkansas, began producing a little more generously and the quantity was increased. It was not, however, until we actually entered the war in 1917 and the submarine menace became so threatening and the necessity for ships to transport our men across the sea became so urgent as to make it difficult, if not impossible, to get the foreign supply here, that the Bureau of Mines and other departments of the Government urged the miners in the West to scan the hills and endeavor to locate deposits of manganese and prompted those who knew of deposits of that kind to their speedy development.

They responded patriotically; they responded generously; many of them put the last dollar they had in the world into the development of these properties; and then, as I have indicated, when shipping conditions became more normal and when the high and increasing freight rates confronted them they found themselves utterly unable to compete with the foreign supply, and their enterprises ended in dismal and disastrous failure.

Mr. FRELINGHUYSEN. Mr. President—

Mr. WALSH of Montana. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Does the Senator believe that there is a sufficient quantity of manganese ore in this country to supply the demand of all the industries here?

Mr. WALSH of Montana. I have not the slightest doubt in the world about it, upon information which I have before me, which I shall give to the Senator.

Mr. FRELINGHUYSEN. I do not want to interrupt the Senator; I am very much interested in the Senator's statement, and I should like to know where it is located.

Mr. WALSH of Montana. I wish to emphasize the point to which I am referring by mentioning that in 1910 manganese was known to exist in less than a hundred districts in the United States. In 1918 Government publications reported it in 427 districts and in 1,181 deposits, and many deposits are now known that were not then examined. Manganese is now known to exist in 30 different States. Also the number of shippers increased from about a dozen in 1910 to 41 in 1915 and to 408 in 1918. In the five-year period, from 1910 to 1914, inclusive, the production of high-grade ore in the United States averaged only 2,612 tons, but in 1918 it was 305,869 tons, an increase of 117 times, equivalent to 1,170 per cent. None of this the Geological Survey had at its command. A part of the information upon which the statements of Senators are based is to the effect that there were then reserves in the Butte district of only 2,800 tons of manganese ore carrying more than 35 per cent.

I trust this item will have the attention of the Senator from New Jersey. The Geological Survey, in its schedule of the deposits of manganese ores in this country, as it had information concerning them, credited the Butte district with reserves to the extent of 2,800 tons of ore containing 35 per cent or more of manganese. Since that time there have actually been shipped out of the Butte district 166,650 tons of ore of a grade higher than 35 per cent.

I have before me a general review of this subject, and I want to read it:

In spite of all the increase of production, the increased number of known deposits, the published reports of metallurgists concerning the desirability of the domestic ores, the favorable reports of the field geologists of the survey, the favorable reports of State geologists and other geologists and mining engineers of standing, the signed and, in many instances, the sworn statements of the owners of manganese properties, the Geological Survey, in its bulletin, "Manganese and Manganiferous Ores in 1919," published April 6, 1921, says the domestic manganese reserves will last only two years.

It is claimed by the producers that the report has not dealt fairly with the subject of domestic sources of manganese, and that any fair consideration must take into account all sources of domestic manganese and all metallurgical practices of steel making. A general statement concerning the sources of manganese is desirable in the consideration of domestic reserves.

Manganese is a metal; its ores occur in some 112 named minerals; it never occurs in a "free" or metallic form in nature, but always chemically combined with other elements, principally with oxygen, as in the oxides, or with carbon dioxide as carbonates. These oxides or carbonates are frequently associated with the ores of other metals, as iron, zinc, or silver.

Now, we take these three classes—first, the high-grade ores; second, the low-grade ores; and, third, the associated manganese ores:

I. High-grade ores: (1) High-grade oxide ores, 35 per cent or better, actual and in prospect.—Of the oxide manganese ores there are half a dozen of commercial importance; they are usually black, grey, or brown in color, and contain 40 to 55 per cent manganese.

(2) High-grade carbonate ores, 35 per cent or better, actual and in prospect.—Of the carbonate ores one—rhodochrosite—is of commercial importance; this is a pink one and usually contains 37 to 42 per cent manganese.

II. Low-grade ores: (3) Lower grade oxide ores, less than 35 per cent manganese content in the crude form, where the ores are mixed with sand, clay, silica (rock), etc., but which are amenable to concentration by washing, screening, jigging, magnetic processes, or other means.—This classification comprises both oxides and carbonates disseminated through sand or clay or rock in so small a proportion that the percentage of contained manganese is too low in the crude state to be suitable for smelting, but is capable of cheap concentration to high-grade ore by mechanical or other physical processes. Material containing manganese of less than commercial grade that no means is now known for concentration is not considered ore.

Apparently this was the kind of ore which the Senator from Ohio [Mr. WILLIS] had in mind when he discussed this subject; but that is a matter of no very great consequence to us in the West, because the process of concentration is applied to ores of all classes, and may be applied to manganese ores as well as

to copper ores and others. That process is the elimination of the material of no value or of little value, and the preservation only of that which is useful.

III. Associated manganese ores: These ores may be either oxides or carbonates, but generally they are oxides and are usually associated with iron, silver, zinc, or other metalliferous minerals. Those manganese ores associated with iron ore are known as ferruginous manganese ore (lower grade carbonate ores which in the crude form contain less than 35 per cent manganese, but which can be recovered as a by-product in the concentration of other ores) or manganiferous iron ores (ferruginous manganese ores, Mn. 10 per cent to 35 per cent); those with silver, as manganiferous silver ores; and those with zinc, after passing off in the slag from the zinc smelters, are known as manganiferous zinc residuum.

Bear in mind, Mr. President, that these low-grade ores have actually been used after they have been properly concentrated.

Associated manganese ores of both oxides and carbonates, particularly the former, in combination with various metals as:

Ferruginous manganese ores (Mn. 10 per cent to 35 per cent).

Manganiferous iron ore (Mn. 3 per cent to 10 per cent).

Manganiferous silver ores.

Manganiferous lead ores.

Manganiferous zinc ores.

When the Geological Survey says that there are manganese ore reserves in this country to last the steel industry only two years they only take into account the first classification of ore and only one-tenth of that, according to the latest information.

Mr. KELLOGG. Mr. President—

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Montana yield to the Senator from Minnesota?

Mr. WALSH of Montana. I yield to the Senator.

Mr. KELLOGG. Is it not a fact that something like 860,000 tons of manganiferous iron ore was produced from the Cuyuna Range of Minnesota during the war?

Mr. WALSH of Montana. The production of the Cuyuna Range—which, as I understand, is manganiferous iron—is very high. I was going to submit the figures from that source.

Uses of manganese: Ninety-five per cent of the manganese consumed in this country is used for making common steel.

Mr. President, I may be pardoned for interjecting here that that is the reason why this is on the free list.

It is not a constituent of the steel but of the raw products that go into steel making. Though 15 pounds of metallic manganese in common practice is added to a long ton of steel, there is approximately no more manganese in the finished product than there was in the combined pig iron and scrap that was charged into the furnace. The additional charge goes off in the slag.

Manganese is called a scavenger or a purifier. Its actual purpose is (1) as a deoxidizer, (2) a desulphurizer, (3) a recarburizer, (4) and to improve the physical structure. No steel is made without manganese; there is no known substitute that fulfills all its functions.

This is the answer to the question addressed to me by the Senator from New Jersey:

#### FORM IN WHICH MANGANESE IS USED IN MAKING COMMON STEEL.

Manganese is introduced into the making of common steel through different ways—(1) as ferromanganese (a crude alloy containing essentially 80 per cent manganese, 14 per cent iron, and 6 per cent carbon), (2) as spiegeleisen (a crude alloy containing 20 per cent manganese, 75 per cent iron, and 5 per cent carbon).

I might say that the Anaconda Copper Mining Co. has a ferromanganese plant at Great Falls, Mont., and during the war was actively engaged in the production of ferromanganese from the Butte and Phillipsburg mines.

Mr. FRELINGHUYSEN. Mr. President, does the Senator contend that the manganiferous ores in Minnesota are of high enough manganese content to be utilized for ferromanganese?

Mr. WALSH of Montana. Mr. President, I am not so familiar with the Minnesota supply, naturally, and so I am not able to answer the question of the Senator. I assert, however, without any possibility of contradiction, that the Montana ores are peculiarly adapted to the production of ferromanganese.

Third. As high manganese pig iron containing 2 per cent to 6 per cent manganese instead of approximately 1 per cent or less manganese, usual manganese content of pig iron.

Fourth. Silico manganese and silicon spiegel, two alloys of manganese and silica that have promising future demands.

Note: Alloys containing less manganese than 80 per cent (standard ferromanganese) or more than 20 per cent (standard spiegeleisen) can be used with equal effectiveness if of uniform grade and free from other deleterious substances.

Equally good steel is made in the utilization of all the crude manganese alloys and also by the high manganese pig-iron method. Advocates of all practices have most ardent exponents.

#### MAKING THE ALLOYS; HIGH MANGANESE PIG IRON.

Ferromanganese, "spiegel," and high manganese pig iron are all commonly made in a blast furnace. There is a smelting loss of manganese content in volatilization, dust, and slag, varying from 20 to 40 per cent, depending upon the grade of ore and the efficiency of the operation. The common deleterious element in the manganese alloys for steel making is phosphorus. Domestic ores are not generally high in phosphorus. High silica content of ore increases the slag volume, and necessarily the smelting cost, but the product may be of the highest quality. The ratio of iron content to manganese can not be greater than 1 to 10 for the production of 80 per cent ferromanganese, but where higher, lower manganese content of ferro is produced the product is also desirable for steel making. Silica (commonly rock) should be eliminated by concentrating; (this is a mine operation, and under stabilized condition of the manganese mining industry will be accomplished by the mining companies,

so that a high-grade ore only will be delivered to the furnaces); higher content iron ores than the prescribed ratio for ferromanganese are used for (1) lower ratio ferromanganese, (2) spiegeleisen, and (3) high manganese pig iron.

I believe I ought to say here to the Senator from New Jersey in answer to his inquiry that I think it quite likely that inasmuch as spiegeleisen contains a high percentage of iron and a relatively low content of manganese, probably the Minnesota ores are more particularly adapted to the production of spiegeleisen than of ferromanganese; but spiegeleisen has its use in the production of steel just exactly the same as ferromanganese has its use, so that that is a matter of no particular consequence. Of course, so far as the Montana ores are concerned they have a very low iron content, and accordingly are more adapted to the production of ferromanganese.

A low-grade manganese ore, if concentrated, will make a high-grade alloy, just as low-grade copper ore can be recovered and smelted into high-grade copper. In both cases it is a question of concentration and recovery.

I dare say that the Senator from Ohio is not familiar with the process of concentration, by which low-grade ores come to produce a product containing a very high percentage of the particular metal which is desired.

Many hundreds of thousands of tons of American manganese ores were utilized during the war with no deterioration in the grade of steel produced thereby.

That is a sufficient answer to the contention which has been made that the domestic ores do not meet the requirements as well as the foreign ores. No contention of that kind was made during the war, when 46 per cent of all the manganese used came from domestic sources:

Of the 305,869 tons of high-grade ore produced in 1918 Montana produced 199,932 tons, of which 129,865 tons were oxide ores and 70,067 tons carbonate ores. About 100 manganese deposits are known in the State of Montana. Property owners and operators claim millions of tons of high-grade carbonate ores, high-grade oxide ores, and also large deposits of manganiferous iron ore.

The United States Geological Survey in its last bulletin dealing with the reserves, "Manganese and Manganiferous Ores in 1919," pages 94 and 95, gives the following for the reserves of manganese in Montana:

#### BUTTE DISTRICT.<sup>1</sup>

Manganese 35 per cent.			Manganese 5 to 35 per cent, largely more than 20 per cent silica less than 30 per cent iron.			Manganese 5 to 35 per cent largely more than 30 per cent iron and less than 20 per cent silica.		
Number of deposits.	Reserves (tons).	Additional reserve in prospect.	Number of deposits.	Reserves (tons).	Additional reserve in prospect.	Number of deposits.	Reserves (tons).	Additional reserve in prospect.
2	2,800	.....	60	400,000	.....	.....	.....	.....

#### PHILLIPSBURG DISTRICT.<sup>2</sup>

25	130,000	350,000	19	56,000	230,000	.....	.....	.....
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#### OTHER DISTRICTS.<sup>3</sup>

1	100	.....	2	700	.....	1	1,800	.....
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<sup>1</sup> Authority: J. T. Pardee. Number of deposits examined 1916-17: 62. Work concluded: August, 1917. Number of deposits examined less than 50 tons: \* \* \* Remarks: All recorded deposits of oxide ores examined; estimate does not include large deposits of carbonate ore, 35 to 38 per cent of manganese.

<sup>2</sup> Authority: J. T. Pardee. Number of deposits examined 1916-1918: 25. Work concluded: October, 1918. Number of deposits examined less than 50 tons: \* \* \* Remarks: \* \* \*

<sup>3</sup> Authority: J. T. Pardee. Number of deposits examined 1916-17: 4. Work concluded: 1917. Number of deposits examined less than 50 tons: 1. Remarks: Madison County.

That shows of high-grade ores, as I have heretofore advised the Senate, only 2,800 tons, when, as a matter of fact, 166,650 tons have since been shipped. It shows only 400,000 tons of ores from 5 to 35 per cent containing more than 20 per cent of silica and less than 30 per cent of iron, and none whatever from 5 to 35 per cent containing more than 30 per cent of iron and less than 20 per cent of silica.

Mr. FRELINGHUYSEN. Mr. President, will the Senator tell me who made this survey, who compiled this information? It is very interesting.

Mr. WALSH of Montana. From what source I get this?

Mr. FRELINGHUYSEN. Yes.

Mr. WALSH of Montana. I get it from the American Mining Congress, but the figures are the figures of the Geological Survey.

Mr. FRELINGHUYSEN. Has the Senator any information as to the reserves? Has any estimate been made of them?



Mr. WALSH of Montana. Yes; I am going to furnish that to the Senator.

In view of the statement made by the Senator from New Jersey to the effect that the committee was compelled to take the action it did because it did not have these facts before it, of course that is no reason why the Senate, now being fully advised about the matter, should follow the committee. But the fact about the matter is that these facts were all canvassed and discussed before the Finance Committee, as will appear from the following colloquy. Mr. Potts, who collaborated in the preparation of the information which I am now giving the Senate, testifying upon the subject before the Senate committee, was interrogated as follows:

Senator McLEAN. Are these reports equally accurate in respect of all reserves?

Mr. POTTS. I could not tell you that, Senator.

Senator CURTIS. From what I hear, I think they are.

The CHAIRMAN. I have a theory that 60 or 70 per cent of the Government publications are worthless.

Senator SMOOT. We were told 12 years ago that there was only coal enough in the United States to last 28 years.

The CHAIRMAN. I know that large numbers of these pamphlets are returned to me with letters of indignation by constituents in Pennsylvania.

The fact about the matter is that—the controversy thus waging before the Finance Committee—the matter was called to the attention of the director of the survey, who sent the following letter to the committee:

In calling attention to the small estimate of high-grade manganese ore in the Butte district, 2,800 tons (p. 1690), Mr. Potts quotes from a letter of Albert J. Seligman to the effect that 71,000 tons of manganese ore were produced by his company in 1918 and 63,000 tons in 1920. Mr. Potts admitted in conference with Mr. Hewitt that he was ignorant of the fact that these quantities represent not high-grade manganese ore but low-grade oxide ore which had to be milled to yield a shipping concentrate. This material was part of the estimated 400,000 tons of low-grade material as figured by Mr. Pardee and which appears in the table of reserves.

The director also said, in the hearing before the Finance Committee, page 2007:

Considering the reception given the charges by the Senate Committee, I suggest that Mr. Potts be given an opportunity to retract that charge.

It was apparently the Director of the Survey and not Mr. Potts who was in error concerning the character of the ore shipped by the Butte Copper & Zinc Co., to which reference has been made:

The affidavit of Albert J. Seligman, president of the Butte Copper & Zinc Co., the shipper of the ore, fully impeaches the statement of the Director of the Survey where he says Mr. Potts's "charges arise out of very superficial examination of and careless reference to publications."

The affidavit of Mr. Seligman shows that no low-grade ore was shipped by his company at all, and that every ton that was shipped was of the high-grade, carbonate ore.

I read from the affidavit of Mr. Seligman, to which reference was made. I may say here that I have had the pleasure of very intimate acquaintance with Mr. Seligman for 30 years, and any statement he makes I would accept without serious question, only bearing in mind always that these statements are made by gentlemen who are interested in securing the high rates for which they ask. I read:

Albert J. Seligman, of 61 Broadway, New York City, being first duly sworn, deposes and says: That he is the president of the Butte Copper & Zinc Co., and is the author of a letter referred to in the last paragraph of page 2100 of the hearings before the Committee on Finance on the proposed tariff of 1921, Schedule No. 3.

He further avers that he read the statement of Mr. Hewitt to the effect that shipments of manganese ore from the Butte Copper & Zinc Co.'s property in 1918 and 1920 were not high-grade ore but low-grade oxide ore which have been milled and concentrated. The affiant avers that this statement recited by Mr. Hewitt is absolutely and unequivocally untrue. The exact tonnage of ore shipped by the Butte Copper & Zinc Co. was as follows:

	Tons.
1918	70,067
1919	320
1920	64,131

Not one ton of ore was concentrated. Every ton shipped was high-grade manganese carbonate ore.

The letter to which reference is made in this affidavit is as follows:

WASHINGTON, D. C., March 9, 1922.

MR. GEORGE OTIS SMITH,  
Director United States Geological Survey,  
Washington, D. C.

DEAR SIR: A great injustice has been inadvertently done in the statements made in paragraph 3, page 2100, of the tariff hearings, schedule 3, metals and manufactures of, in reference to the shipments of manganese carbonate ores from the Butte Copper & Zinc Co.'s mines, during the years 1918 and 1920, and I am sure you will be glad to make correction of this evident error.

As I am president of the company and can vouch for all of the facts, I beg to state that all of the ore shipped was a high-grade manganese carbonate called rhodochrosite, and that not a pound of the ore was concentrated, it having been shipped in the raw state to practically all the large ferromanganese manufacturers of the Middle West and East.

All the above ore was high-grade ore shipped from a deposit which your department had credited with containing only 2,800 tons of high-grade ore.

Will you not kindly send a letter to the Finance Committee correcting this statement, and inasmuch as the matter is to be decided within a day or so, I would ask you to kindly give it your immediate attention.

Yours very truly,

BUTTE COPPER & ZINC CO.,  
ALBERT J. SELIGMAN.

The letter of the director of the survey with reference to the matter was referred to, and I ask that it be printed in the RECORD as a part of my remarks, without taking the time of the Senate to read it.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,  
UNITED STATES GEOLOGICAL SURVEY,  
OFFICE OF THE DIRECTOR,  
Washington, March 19, 1922.

HON. PORTER J. MCCUMBER,  
Chairman Finance Committee, United States Senate.

MY DEAR SENATOR: My attention has been called to a statement which appears on page 2100 of the tariff hearings, Schedule 3, being a quotation from certain comments made by me in a communication to the chairman of the Tariff Commission. These detailed comments were of the nature of a reply to certain charges made before your committee, and while intended to clarify the matter of the domestic reserves of manganese ore, contained, unfortunately, an inexplicable blunder, which unintentionally does injustice to a well-recognized large reserve of high-grade manganese ore at Butte. The statements now made by the Anaconda Copper Mining Co. and Mr. A. J. Seligman are not necessary to set this matter right in my mind, since the same figures of ore shipments for 1918 are already on record with the Geological Survey, being confidentially reported early in 1919 by the Anaconda Copper Mining Co.

There is no question but that there are large deposits of manganese carbonate ore in the Butte district, and the importance of those carbonate ores in the Emma mine at Butte was, in fact, recognized in 1917 at the time of the study of this district by Mr. Pardee, a geologist of this survey; but at that time no tonnage estimate was regarded as possible, although the high quality of these ores was stated in the survey's report, "Manganese at Butte, Mont.," published in April, 1918; and later in the same year the table of manganese ore reserves in the United States specifically states that the estimate of the tonnage given "does not include large deposits of carbonate ore 35 to 38 per cent of manganese."

The paragraph in the hearings to which attention has been called (bottom of page 2100 and top of page 2101) seems to be in error in its mention of concentration of low-grade oxide ore. The fact well known to Mr. Hewitt and Mr. Pardee and, in fact, to all of us who kept in touch with the subject during the search for manganese ores is that large bodies of high-grade carbonate manganese ore exist in the Emma mine at Butte and were being mined in 1918. However, in showing up what seemed to me Mr. Potts's unfairness in handling the survey's reports, Mr. Hewitt himself seems to have confused concentrated low-grade oxide ore with these shipments from the Emma mine. Unfortunately, Mr. Hewitt is now in the field in Nevada, but rather than wait for his explanation of what now appears to me a careless statement, due possibly to the fact that the detailed comment appearing on pages 2097 to 2100 was prepared by Mr. Hewitt last October on the eve of his leaving the city on a field trip, I am now submitting this correction and if I hear anything to modify this explanation I will later inform you.

Finally, to show the unintentional character of what now seems a misstatement permit me to quote the concluding paragraph of my letter of October 7, also addressed to Doctor Page (see p. 2097 of hearings). In this letter, written only a day later than the submission of the other comment, I made a statement which in my opinion is absolutely correct and does not need the change of a single word. This brings out the essential fact that the large shipments from the Emma mine in 1919 and 1920 were of a wholly different character from the 2,800 tons of high-grade oxide estimated by the Geological Survey.

On the same page in an earlier paragraph Mr. Potts reiterates his reference to the 2,800 tons of high-grade ore in the Butte district, with which he compares a many times larger tonnage of ore shipped from the same district, not specifying, however, the kind of ore so shipped, the survey's distinction in its estimates between oxide and carbonate ores being either unnoticed by Mr. Potts, as he stated to Mr. Hewitt, or disregarded by him in his very plain purpose to discredit the United States Geological Survey.

Yours very truly,

GEORGE OTIS SMITH.

MR. STANLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kentucky?

Mr. WALSH of Montana. I yield.

Mr. STANLEY. I see a statement on page 1641 of the hearings, by Mr. Dette, representing Crocker Bros. He said:

Even under the stimulus of war necessity and high prices domestic production furnished only a small part of our total needs, and that only by a sacrifice in quality of the smelted product.

Senator LA FOLLETTE. What is the total consumption?

Mr. DETTE. About 300,000 tons, I should say, normally.

It is safe to say that the steel trade must depend for all time on foreign ores or foreign ferromanganese for at least 90 per cent of its requirements. The proposed duty of 1 cent per pound content, or about \$11.20 per long ton on average ores, would be merely a subsidy to one or two ore producers. We recommend that manganese ores be taxed not more than \$1 per ton for ores containing 45 per cent manganese and over.

Does the Senator agree in that statement, as to the relative amount of ores necessary to import, considering the quality of

the ore? I have not heard all of the argument but I think that is very vital if true.

Mr. WALSH of Montana. Will the Senator call my attention again to the essential feature of that?

Mr. STANLEY. He states, in the first place, that of the 300,000 tons normal production 90 per cent must come from foreign importations, and that, in the second place, the quality of the domestic ore is not comparable to that of the imported ore; that we must import the foreign ore to mix with the domestic ore in any event. The vital thing is that we only produce, Mr. Dette claims, one-tenth of our total consumption of this product.

Mr. WALSH of Montana. My attention was directed to that, and I supposed I had covered it.

Mr. STANLEY. I do not want the Senator to repeat what he has already said.

Mr. WALSH of Montana. The Senator should bear in mind that this is a party who is producing ferromanganese. He says:

It is safe to say that the steel trade must depend for all time on foreign ores or foreign ferromanganese for 90 per cent of its articles.

I showed that during the war the domestic supply was actually furnishing 46.6 per cent of the total consumption, and that there is not the slightest indication anywhere of the exhaustion of any of the mines from which these supplies were drawn, and many mines have been opened up that have never been brought to the producing stage, because of the subsequent dropping of the price. He continues:

The proposed duty of 1 cent per pound content, or about \$11.20 per long ton on average ores, would be merely a subsidy to one or two ore producers.

I have called attention to the fact that the number of ships actually shipping in 1918 was 408, and the statement to which the Senator has invited my attention is to the effect that this would mean a subsidy to one or two ore producers.

Mr. STANLEY. I would like to call attention to a subsequent statement, as given on page 1641:

The domestic supplies are limited, inferior in quality, and far from consuming points.

Mr. WALSH of Montana. So far as the supply is concerned I have been devoting my attention to that, but I am going now to address myself particularly to the Montana supplies, and then to the Minnesota supplies, which are the two known sources of great supply. That is the kind of testimony, apparently, upon which the committee was acting.

Mr. STANLEY. Is it the Senator's contention that we can produce approximately at the same cost that is paid for imported ores; that is, with a reasonable difference for a reasonable import duty, enough to supply the needs of the iron industry in this country?

Mr. WALSH of Montana. I have no doubt we could supply the iron industry entirely in this country. Just exactly what duty would be necessary to make it worth while developing these properties I have not undertaken to figure out.

Touching the Montana supplies, the following is a summary of the situation so far as Montana is concerned:

#### MANGANESE IN MONTANA.

Montana was not regarded as a manganese producing State until the war demand for this mineral and the cutting off of importation of manganese from foreign countries made possible the development of the deposits within the State. In 1918-19 Montana supplied nearly two-thirds of the total domestic production of manganese ore.

One of the surprises of the war period was the large production of manganese ore in Montana. In 1917 the production in the Phillipsburg district so greatly increased that Montana jumped far ahead of the other States producing manganese ore. Apparently because the carbonate of manganese was new to the ore trade, the bodies of rhodochrosite at Butte, which are among the largest and most valuable sources of manganese in the country, were overlooked for several months after the mining of the oxide ores had begun. In 1918 a further increase in output was made at Phillipsburg, and Butte, having begun the mining of its rhodochrosite bodies, became, next to Phillipsburg, the most productive district in the United States. Although manganese minerals are known in several other mining districts in Montana, only a small production has so far been made elsewhere than at Butte and Phillipsburg. Montana supplied during 1917 and 1918 nearly two-thirds of the total domestic production of manganese ore and nearly one-sixth of the amount of the domestic production and imports. Most of this product was smelted to ferromanganese for use in making steel. At the rate of 3 tons of ore to 1 ton of alloy \* \* \* Montana would have yielded an amount sufficient to manufacture 15,000,000 tons of steel. In 1919 Montana produced nearly half of the total output in the United States. (J. E. Pardee, Bulletin 725-C, U. S. Geological Survey, 1921.)

In all of their earlier reports the United States Geological Survey have completely ignored Montana's manganese reserves, and even in their latest report, above referred to, they credit the Butte district with having a reserve tonnage of only 2,800 tons, notwithstanding the fact that this district has shipped

since 1918 166,650 tons of ore containing 35 per cent or more of manganese.

The two properties in Montana that have shipped the largest amount of ores are the Emma mine, owned by the Butte Copper & Zinc Co., and the Algonquin mine, owned by the Phillipsburg Mining Co.

The last-named company owns—

Sixty mining claims, on 17 of which manganese was found on the surface; it is the only company in the Phillipsburg district that has done extensive development work. They have expended \$800,000 in developing the property. Their latest estimate to the Internal-Revenue Bureau was 1,000,000 tons of ore, averaging 35 per cent or better of oxidized manganese. This estimate was made on a probable depth of manganese of that character of 400 feet. Since then one of the shafts has reached a depth of 570 feet, with ore of as high grade as any heretofore found. A reasonable tonnage estimate would be 2,000,000 tons of oxidized ore. The carbonate ores (rhodochrosite) no doubt extend to great depths and probably contain an equal or greater tonnage. (Statement of J. E. Meyer, president Phillipsburg Mining Co., Apr. 18, 1922.)

The Butte Copper & Zinc Co.'s properties at Butte are large producers of rhodochrosite (pink manganese). At the request of the Government in 1918 this company concentrated all its efforts toward the rapid extraction of manganese, of which it had very large quantities developed. They produced and shipped over 71,000 tons of manganese in 1918. Their ore is a carbonate, rich in manganese, low in silica, and adapts itself readily to treatment at a low cost. The ore runs about 38 per cent manganese, 7 per cent silica.

It is very difficult to give accurate estimates of the manganese ore deposits. We have in our property many hundreds of thousands of tons of ore developed and probable, and throughout the district the condition prevails that at depth the manganese deposits are wider and richer. The history of the Butte districts is one of continuous development to great depth, and it is fair to assume that in our manganese properties the same conditions will prevail. (A. J. Seligman, president Butte Copper & Zinc Co., Feb. 14, 1921.)

In their sworn statement this company states that they have a proved tonnage of 200,000 tons of 37 per cent ore, with a possible tonnage of this grade of 880,000 tons.

The William A. Clark properties in the Butte district have large showings of manganese. In the Ancient Mine manganese ore occurs to a depth of more than 500 feet, and from 30 to 40 feet in width. This ore averages 48 per cent manganese, in the form of rhodochrosite.

It is difficult to estimate the ore in sight in the Travona property. It would amount to several hundred thousand tons. It is fair to assume that it will extend in depth at least 500 feet additional, and perhaps more. There is one claim belonging to me that lies east of the Ancient claim which evidently contains this same body of ore. (Letter from William A. Clark, former United States Senator, July 16, 1919.)

Bodies of manganese ore and of manganese material that may be capable of beneficiation are found in several of the mining districts. Their distribution coincides in general with that of the ores of silver, lead, zinc, but small amounts of manganese and manganese ores are found in some areas that have not produced the other metals. (P. 145, United States Geological Survey Bulletin 725-C.)

#### BUTTE DISTRICT.

Since the report in 1918—

mining developments have shown that some of the mines contain bodies of manganese ore that are formed on the same grand scale as the other ore deposits of this famous district. These deposits consist of rhodochrosite, the carbonate of manganese, a mineral that until late in 1917 was entirely overlooked as a source of the metal. (P. 174 U. S. G. S. Bul., 725-C.)

During 1918, the value of rhodochrosite having been demonstrated, the production of manganese ore at Butte rapidly increased. In fact, in that year the output of this district was about three times as great as that of California, next to Montana the most productive State, and nearly seven times as great as that of Virginia, formerly the principal manganese-producing State in the country. (P. 175 U. S. G. S. Bul., 725-C.)

The reserve of high-grade oxide ore was probably depleted more or less during 1918, but only a small part of the low-grade material has been removed. The quantity of rhodochrosite ore reported as actually developed early in November, 1918, was more than 125,000 tons. To this reserve should be added an unknown and presumably very large amount in prospect. In addition the lodes contain an almost unlimited quantity of low-grade material consisting of the carbonate and silicate of manganese, and quartz \* \* \*. This constitutes a reserve from which the country's needs might be largely supplied. With improvement in the methods of reduction much of it might even become valuable under ordinary conditions. \* \* \*. The Butte manganese deposits possess the advantage of being large and economically mined. Most of them can be developed and the ore removed without additions to the workings needed to exploit the ores of the other metals. With abundant facilities available for concentrating the ore and making ferro-alloys the operators are in a position to take advantage of any favorable market without delay. Although Butte is rather far from the principal steel-manufacturing centers of the country, it will therefore probably be profitable to mine manganese in this district for some time to come or until trade conditions revert to what they were before the war. (P. 176 U. S. G. S. Bul., 725-C.)

The manganese deposits of Butte are parts of the quartz lodes that have been mined chiefly for zinc and silver. Manganese minerals are widely distributed, both horizontally and vertically, but are comparatively scarce in the copper district. As a rule, this mineral—rhodochrosite—forms a very considerable part of the vein matter, and is generally mixed with



quartz, sulphide, and so forth. In places, however, rhodochrosite forms large, practically unmixed bodies similar to the shoots of zinc and silver ores. The total vertical range of the rhodochrosite bodies is at least 2,000 feet.

\* \* \* Oxidized material that carries from 12 per cent to 35 per cent of manganese forms a large part of the lodes. \* \* \* Most of the manganiferous deposits carry noteworthy amounts of silver, lead, or zinc, and several are fairly rich in iron. (Pp. 176, 177, Bul. 725-C, U. S. G. S.)

In 1918 the Anaconda Copper Co. built at Great Falls, Mont., an electric smelter capable of making 90 tons of ferromanganese a day and designed to utilize chiefly the rhodochrosite ore from Butte. This plant was completed in time to run only a short period before the sudden decline in the market, and the smelter has since been closed and the mining of this ore in Montana practically suspended. The Anaconda Copper Co. has suffered an enormous loss in this venture, which loss it will not be able to recover unless it is possible for them to utilize their manganese ore. This, in addition to the slump in the copper market, has caused this company that employs thousands of men to suffer severe financial loss.

Bulletin 725-C of the United States Geological Survey describes 22 deposits in Montana, and says:

The deposits described are typical and illustrative of the Phillipsburg district. Several mines not described for lack of sufficient detailed information are equally worthy. Several claims from which no shipments have been made contain promising outcrops and prospective reserves of considerable size. (P. 157.)

The deposits described are known as:

Algonquin, Coyle mine, Climax mine, Trout mine, Gem mine, Pochontas, Little Gem mine, West Algonquin, Bernard, Horton, Headlight, N. G. Group, Wenger No. 2, Sharktown, Bryant mine, Cliff mine, White Horse, Scratch Awl, True Fissure, Saunders, Marie, Redemption.

Forty-seven individuals and corporations claim a loss totaling \$453,533.83 in developing manganese properties during the war, according to the records of the War Minerals Relief Commission. The total investment in these properties will be a complete loss unless a protective tariff is given which will permit the resumption of production.

Montana mining men have an investment of more than \$2,000,000 in the manganese industry of the State, all of which is in jeopardy unless they are permitted to operate their properties, which is impossible in competition with foreign manganese and without a compensatory tariff.

Bulletin 725-C of the survey, which is quoted extensively in this report, discusses only generally the properties in the Butte district, the most important of which are the properties of the Butte Copper & Zinc Co. and the William A. Clark properties, upon which we have reports from the companies themselves.

Mr. President, I will undertake to say that no one can read the record and have any doubt about the adequacy of the supplies in our country. There is little excuse for the contention that this particular commodity should be excepted from the operation of the general principle which it is declared has governed in the preparation of the bill.

Mr. FRELINGHUYSEN. Mr. President, may I ask the Senator a question?

Mr. WALSH of Montana. Certainly.

Mr. FRELINGHUYSEN. I have been very much interested in the Senator's statement about the quantity of manganese ore in the Montana district, but I have not yet had a reply to my question as to an estimate of the total reserve in those districts. The Senator has read several statements of estimates of the different mine owners. Has there been a compilation of all the estimates of the different mines and the grades of the ores? Does the Senator believe that there are 3,000,000 tons of manganese in the Montana district?

Mr. WALSH of Montana. I would not hesitate to say that there are three times three million tons in the Butte district, not to speak about the Phillipsburg and other districts of the State.

Mr. FRELINGHUYSEN. Does the Senator believe a tariff rate of 1 cent per pound is necessary to produce it, and is he in favor of that rate?

Mr. WALSH of Montana. I am not discussing rates. I am contending, and contending only, that there is no excuse whatever on the other side of this Chamber, professing to frame a tariff bill intended for the protection of American industry and to promote the development of American industries, for putting this item on the free list. The matter of rates some one else besides myself can handle.

Mr. FRELINGHUYSEN. Then I take it the Senator is not in favor of a duty on manganese?

Mr. WALSH of Montana. What is the difference what I am in favor of?

Mr. FRELINGHUYSEN. The Senator has been arguing in favor of the large deposits of manganese and in favor, I think,

of the duty that has been proposed by the Senator from Colorado [Mr. NICHOLSON].

Mr. WALSH of Montana. I have been endeavoring to show, and simply to show, that the excuse which is offered here for putting this product upon the free list, in violation of what is professed to be the principle upon which the bill is founded, has no justification whatever.

Mr. FRELINGHUYSEN. I am not convinced that the Senator has shown that there is sufficient manganese ore in the country to supply the demand for any number of years. If his claims are based upon the estimates of mine owners, we have the statement of the Director of the Geological Survey, who, while he admits deposits, still adheres to his statement, even in his letter in which he revised his former statement, that there are not sufficient deposits in this country to supply the industry for any number of years.

I want to put this question to the Senator fairly, and I know he wants to be fair and is fair. The American Mining Congress have been very insistent that on all of these alloys—on magnesite, ferrosilicon, fluorspar, and manganese—there should be a high duty. If their estimates and their hopes are not finally realized, what will be the result of a duty of \$20 a ton on manganese? It has not been shown that over 300,000 tons have been produced in any year. Suppose those estimates are not realized; will it not be placing a great burden on the productive industries of the country?

Mr. WALSH of Montana. Of course, beyond question it will increase the cost of producing steel. Of course that is what the Senator has a tariff for, is it not? That is what we have been arguing, that he is burdening the industries of the country with all these high duties. I am very glad to know that the Senator is a convert.

Mr. FRELINGHUYSEN. Of course it is the policy of the party to put a duty on any foreign manufactured product which can be produced and manufactured in this country, but as I said to the Senator, and I fairly stated the position of the committee, the committee were of the opinion, with all the information before them, that there was not a sufficient supply or sufficient quantity or quality of manganese in this country, and, therefore, the duty would not have the effect of increasing the domestic supply.

Mr. GOODING. Mr. President, I would like to ask the Senator from New Jersey if he feels that the Finance Committee made as thorough an investigation of the supply of manganese in this country as the Ways and Means Committee of the House, which appointed a special committee to investigate the matter, and which, after spending something like four months in making a special investigation, recommended a duty of 1 cent a pound?

I want to say to the Senator from New Jersey that we do not think in the West that we have started to develop that wonderful country out there. One of the most marvelous developments has taken place there that the country has ever seen. I want to say to the Senator that we have placed a duty on steel that protects steel clear to San Francisco against Belgium, and yet we will hear arguments upon the floor of the Senate to the effect that there must be a dead line drawn so far as the West is concerned; that they can not come any farther than Chicago with that great product. If we develop the West it will make a market for manufactured products.

I beg the pardon of the Senator from Montana for taking his time—

Mr. WALSH of Montana. I am very glad to yield to the Senator from Idaho.

Mr. GOODING. All this talk about a dead line, so far as the West is concerned, and then permitting a duty on everything that carries it out to the Pacific coast, is hardly fair to the great West. If that part of the country is to be developed to its fullest greatness, we must be given an opportunity to furnish our products to the country. If we can be given that duty and can develop manganese in the West, it will mean something like \$10,000,000 in freight rates to the railroads alone. It will give us a chance to live out there, and we shall not have to pay the exorbitant prices we are paying now, which are much more than any product can bear to be carried to market.

If the principle of protection is right, it is right all the way round; and if it is wrong, it is wrong all the way round. We might just as well meet it in that light and in the spirit of fairness. I beg the pardon of the Senator from Montana for having taken so much of his time.

Mr. WALSH of Montana. Mr. President, I think myself exceedingly unfortunate that I have been unable to make a more favorable impression upon the mind of the Senator from New Jersey, who I thought was going to consider the matter in an open-minded way, and yet he proceeds to tell the Senate, notwithstanding all that has been represented here, that the United



States has never succeeded in producing more than 300,000 tons of manganese in any one year. I have put into the Record figures showing that in the year 1918 there were produced in this country of ores containing more than 35 per cent of manganese 305,869 tons. The Senator from New Jersey seems to be disposed to disregard and to throw into the dump any ores that do not contain more than 35 per cent manganese. The same figures—and they are from the Geological Survey report for 1921—disclose that in addition to the 305,869 tons of high-grade manganese we produced 916,163 tons of manganese ores containing from 10 to 35 per cent; and that we produced, in addition to that, 252,615 tons of ores containing from 5 to 10 per cent, an aggregate of 1,474,647 tons, as against 300,000 tons, as the Senator from New Jersey understands.

Mr. FRELINGHUYSEN. The Senator from Montana knows that I wish to be accurate. I was quoting from the Summary of Tariff Information, which relates to the ferromanganese ore which is proposed to be protected under the amendment of the Senator from Colorado [Mr. NICHOLSON].

Mr. WALSH of Montana. The Senator is evading the question. All manganese ores are put on the free list, and all manganese ores to which reference has been made here are used in the production of ferromanganese, whether they are high grade or low grade. If they are low grade they have got to be concentrated, that is all. So far as the manganese is concerned, the content is exactly the same whether it is high or low. Mr. President, that is all I care to say about the Montana supply of manganese.

Mr. STANLEY. Mr. President, I desire to ask the Senator from Montana one other question. Has the Senator figured out the ad valorem equivalent of 1 cent a pound on this commodity?

Mr. WALSH of Montana. I have not. As I have stated, I am not concerning myself with the specific rate of duty; I am protesting against putting this commodity upon the free list upon the contention that it is not an industry that is worthy of development because of the inconsequential supply and the inferior character of the ore.

Now, Mr. President, I promised the Senate that I would refer—and I intended to refer—to the magnificent supply of ores which the State of Minnesota commands. I would leave that for the junior Senator from Minnesota [Mr. KELLOGG], who is interested in this subject, but I do not see him in the Chamber at this time. In view of his absence, I am going to call attention to those deposits. They were told about before the Committee on Finance by Mr. Crosby, of Duluth, of that State, as follows:

Mr. Crosby. In order to get myself properly before the committee, I will state that I am a discoverer and explorer of minerals on the Minnesota, Michigan, and Wisconsin ranges and elsewhere. By exploring is meant the proving of tonnages and grades to determine its merchantability, by the use of power-driven churn and diamond drills. I have had an experience of over a quarter of a century and am one of the pioneers of the Mesabi and Cuyuna Ranges. The Mesabi is an iron-ore bearing range; the Cuyuna Range is known as an iron range, but a considerable portion of the ore from this district carries manganese and has been of considerable economic importance for its manganese content in steel making.

Since the discovery of the Cuyuna iron and manganese range there has been about 2,800 holes drilled, differing in depth from 60 to 1,000 feet. Of those 2,800 holes I have personally drilled 700. I have drilled something like 20 properties. Eight of those properties have become producers of manganese-bearing ore and helped to furnish the manganese that was used in the steel manufacture during the war period.

During the year 1918 there were 860,000 tons of this material shipped from the Cuyuna Range—

There were 860,000 tons of it!—

to the steel industry in this country and used in the manufacture of steel; and, in addition to that, there were 305,000 tons of what we call high-grade manganese ore running 40 per cent or better. This higher grade of manganese came from different localities, more especially from Butte and Phillipsburg, Mont., and from Virginia and Arkansas. The balance of the tonnage was distributed over a large area, and about 30 States were represented.

It has been stated by witnesses here—and I simply am amazed at the statements they have made—that there are no reserve tonnages of manganese ore in this country. As a matter of fact, we will prove to you in a brief that will be presented by Mr. Charles W. Potts, based upon Government reports and reports of producers of this material, who have made explorations of their deposits and measured the tonnages and the grades, etc., that there are 36,000,000 tons of ferruginous manganese ore in reserve; that there are over 20,000,000 tons of high-grade manganese ore that runs over 40 per cent ready to be mined and shipped to the steel manufacturers.

Mr. Crosby continues:

I do not believe it is necessary for me to dwell upon where the manganese that has been used up to 1914 came from, because you are all familiar with that. But I will state that most of it came from Brazil, the Caucasus, and India. It is true that this ore has been the chief source of supply that steel makers have used generally in the manufacture of steel. It comes, perhaps, in larger deposits. However, the grade is no higher than our best domestic ores.

The domestic ore producers rose to the emergency during the war and filed a demand that would have been quite impossible to have filled otherwise.

I personally spent, in trying to produce for war purposes, \$1,450,000 in the development of mines in Minnesota, and I wish to state that this money will be almost a total loss to me unless the producers of manganese ore in this country are protected.

I have read the report of the Tariff Commission on the subject of manganese-ore reserves and know the tonnages of manganese-bearing ores and the grades that have been accredited to this range by the United States Geological Survey, series 121. Based on the knowledge I have of the Cuyuna Range, gained through years of experience, these estimates do not fully represent either the actual tonnages or the proper classification of grades of this district.

According to the reports issued by the Geological Survey, there are only 13,628,000 tons of manganese-bearing ore, containing 5 to 35 per cent manganese, in the district. No figures are given for any additional reserve in prospect. This report seriously minimizes the importance of manganese-bearing ores of the Cuyuna Range, for the following reasons:

That the actual tonnage is greater than claimed. There were 24 mines on the Cuyuna Range that were producing or preparing to produce manganese-bearing ore in 1918. I can name two out of this group that contain more ore than the Geological Survey says exists in the whole district. The Sagamore contains 11,000,000 tons; the Ida May, 4,000,000. The proved tonnage of Cuyuna Range is 36,000,000 tons. This constitutes the actual tonnage of manganese-bearing ores included in the classification of ferruginous manganese ores and manganeseiferous iron ores containing 5 to 35 per cent manganese, of which the balance of the mineral constituent is iron ore.

A fact generally overlooked by the Geological Survey and the Bureau of Mines, that is to say, they take it into consideration, but when they present their totals of reserves they do not mention it, is that 5 per cent manganese ore, if it were contained with rock, would be of little avail as a mineral, but is quite valuable if it is contained with iron ore. For instance, where manganese ore in the Cuyuna Range has 5 per cent manganese it has a constituent mineral which contains 50 to 55 per cent iron ore. Therefore, it becomes commercial in that way, and it is used in making high manganese pig.

And of course one can readily understand that when manganese is found in association with iron ore it is very much more valuable and is commercial, even though the manganese content is very low.

The Government report minimizes the importance of the ores of the Cuyuna Range by ignoring the probable ore. There is an additional tonnage of probable ore not capable of definite calculation, but of certain existence, which would undoubtedly increase the reserve tonnages to approximately 50,000,000 tons.

That will be sufficient, Mr. President, to show the possibilities of Minnesota as a producer of magnesite ore.

Mr. SMITH. From what page has the Senator been reading?

Mr. WALSH of Montana. I have been reading from pages 1669, 1670, and 1671 of the hearings before the Senate Committee on Finance.

Mr. President, this bill can not be defended on the principle upon which it is asserted it is framed if this important commodity, this infant industry, is not treated with the same consideration that is given to many items of much less importance in the bill.

Mr. President, I desire my position with respect to the matter to be definitely understood. I believe that it is unwise to burden the industries of this country at this time and to increase the high cost of living by the imposition of the extraordinary duties which are provided for in the pending bill, and unless it undergoes modification, which I do not at all anticipate, I can not and will not give it my vote; indeed, as I have heretofore stated, I believe that it will work disaster to our country not only by reason of the fact that it will increase the cost of living—and that is the purpose of it—but because it will limit to a large extent our export trade, which is the life and substance of the great agricultural industry of this country, and much of the mineral industry as well. I have spoken heretofore about the two great products of my State—wheat and copper. The industries engaged in producing those commodities can not thrive unless Europe is given an opportunity to sell her products liberally in this country, so that they may have the means by which they can buy these great products of ours.

Mr. STANLEY. Mr. President, the proposed duty on ferromanganese and manganese ore is illustrative of the utter lack of any system underlying this bill. Of course, if, as contended by the Senator from Idaho [Mr. GOODING], protection is a blessed and beneficent thing, a kind of bonus derived from legislation, which makes nobody poor but makes everybody rich, in that event it would be a matter of small importance whether the duty were 1 cent a pound or \$1 a pound upon ferromanganese or manganese ore, or anything else, because the importer would pay it and the domestic consumer would get the benefit of it. From a Democratic standpoint, however, Mr. President, as I see it, this duty is peculiarly indefensible.

It has been stated here—and it is true, in a measure—that the largest consumer of manganese ore and of ferromanganese is the United States Steel Corporation, and necessarily so. I hold no brief, as everybody knows, for the Steel Corporation. We, however, should not be biased by any misdeeds of a single corporation engaged in an industry to the point that we are willing to injure the industry. There is a vast difference be-



tween the United States Steel Corporation and the steel industry.

I know of no single industry more peculiarly indigenous to this soil than the production and the fabrication of iron and steel. The time is fast approaching when we shall consume the bulk of our agricultural products, when we shall make our wheat into bread, when we shall make our hides into leather, just as we now more than weave all our wool into cloth. I can see the day when few bales of cotton will leave this coast. We have 7,000,000,000 tons of coal—twice as much as all the rest of the world possesses—mined at infinitely less cost than it can be produced anywhere else in the world. That coal can be converted into coke at a less cost and that coke and limestone and ore can be assembled at less cost than anywhere else in the world.

We have brought to perfection the most costly and the most ponderous machinery for the fabrication of iron and steel. We can to-day make rails, structural shapes, beams, bars, girders, tin plate, and an infinite number of agricultural implements and machinery; we can build bridges, we can construct locomotive engines, we can weave wire cables cheaper than any other country in the world. The day is not far distant, under a wise and broad liberal statesmanship, if this industry is given an opportunity—not fostered, not coddled, not subsidized, but unshackled—when our ships shall carry steel fabrications to every port in the world, and, returning, take your copper, your wheat, and a thousand and one other things.

Iron, not gold, not silver, is to be the commodity that we are to trade for the things we need all over the world; and of all the foolish and silly things, the most foolish and silly is this practice here, this fetish, of protection. It is not a belief in it; it is a superstition. It has ceased to be rational. You have abandoned the old idea of equalizing the cost of production; you have abandoned the old idea of infant industries, and you have slathered this thing all over everything and everybody—agriculture, horticulture, dairying, mining, manufactures, everything.

Everybody must make everybody else rich. It would be absurd if it were not tragic; and it is an economic crime to weight and burden this great industry with petty duties on manganese, on the constituent elements of fire brick, on manganese ores; on this, that, or the other element that goes into the fabrication of steel.

The sane, the rational, the democratic thing, is to give these great masters of the steel business, the steel kings of the world—by nature and by the beneficence of God they are the masters of this industry in all the world—give them a chance, unshackle them, let them secure their raw materials, let them fabricate their various articles for the commerce of the world at as low cost as they fairly can, and then take from them every dime of protection on the finished product, and the only thing that Europe will ever ship here will be a darning-needle, a pocketknife, or a razor.

Mr. POMERENE. Mr. President, just a word.

During the past year I have had a great many letters bearing upon this subject. I have quite a portion of my correspondence here. I do not intend to take the time of the Senate to discuss this matter at length. Many of these letters have been from the independent steel mills of the country. All of them are opposed to it. The substance of these letters is to the effect that if this duty prevails it will add 25 cents a ton to the cost of steel, and one of these writers estimates that the total cost to the steel industry of the country would be not less than \$10,000,000, and this to protect an industry engaged in the production of low-grade ore for the most part. Without any definite promise as to what is going to happen, it is said that there are millions and millions and millions of tons. If that fact is so well known, and it is of a grade of ore which can be profitably mined and reduced, I do not understand the need of this tremendously high tariff duty.

Mr. NICHOLSON. Mr. President, may I ask the Senator a question?

Mr. POMERENE. Yes.

Mr. NICHOLSON. The Senator made the statement that this duty would add 25 cents a ton to the cost of steel. It takes only 16 pounds of manganese to make a ton of steel. We are looking for a duty of a cent a pound. As only 16 pounds of manganese is used to produce a ton of steel, where does the Senator get his 25 cents?

Mr. POMERENE. Mr. President, I am not a steel man, but I am quoting the figures as given to me by the best steel men in the country.

Mr. NICHOLSON. I apprehend that that is true; they are good steel men; but I state to the Senator that only 16 pounds

of manganese is needed to produce a ton of steel, and the added cost, at a cent a pound, would not exceed 16 cents.

Mr. POMERENE. The difference between the Senator's statement and my own is only nine pounds, or about one-third of the total, as I claim it.

Mr. McCUMBER. Mr. President, I think I can explain the difference between the statements of the two Senators. It is this:

A duty is paid upon the manganese content, but in extracting and smelting it is never possible to get all of the manganese content out of the ore. Therefore, there is a sufficient amount of loss, so that I think you can add somewhat to the 16 cents and bring it up to 20 or 25 cents.

Mr. POMERENE. That is probably the explanation, and I am obliged to the Senator for it.

Mr. STANLEY. Mr. President, will the Senator permit an interruption just at that point?

Mr. POMERENE. Yes.

Mr. STANLEY. The Senator knows more about the details of this business than I do; but, as I understand, the Senator from Montana stated that there are thirty or forty million tons of manganese-bearing ore in the Cuyuna Range, just as there are hundreds of millions of tons of self-fluxing ores—that is, ores containing limestone—in Alabama. As I understand—I may be wrong—this ore containing manganese is just like any other iron ore, except that in smelting that ore it is not necessary to purchase and mix ferromanganese with it, as you would do in the case of other ores. That ore, therefore, would only be the more valuable on account of the manganese content, and would certainly need no duty to develop it.

Mr. POMERENE. Mr. President, I find on looking at this correspondence—I have not turned to the statutes to verify the statement—one of these writers tells me that the McKinley tariff on manganese ore was \$6.72; under the Dingley tariff it was \$4; and under the pending bill it would be \$20 per ton. Why, after hearing some of the speeches which were made here I scarcely know what to think of William McKinley.

I lived in his district. I heard a great many of his speeches upon the tariff question. I was led to believe that he was a protectionist of protectionists. I am constrained to believe, however, that if the majority members of the Finance Committee are Republicans to-day, then William McKinley was a free-trade Democrat.

Mr. WALSH of Montana. Mr. President, the Senator will remember that President McKinley, in one of the last speeches that he made, intimated that the time had come when high duties ought not any longer to prevail.

Mr. POMERENE. Yes.

Mr. WALSH of Montana. Of course our friends have long since passed the protection point of McKinley.

Mr. POMERENE. Yes, Mr. President. I want to correct the Senator to this extent: He says that was one of President McKinley's last statements. That statement was made in his last speech at Buffalo, just before the assassin's bullet struck him low; and then it was, and I think I quote his exact language, that he said:

We can not expect always to sell and never to buy from foreign countries.

To-day we have listened to a wonderfully eloquent address by the brilliant Senator from Indiana [Mr. WARREN], in which he quoted from Democrats who said that we could not expect always to sell and never to buy. I wondered why he did not quote the words of McKinley in the Buffalo speech, which were substantially the same words that were used by some of these distinguished Democrats from whom the Senator from Indiana quoted.

Mr. McCUMBER. Mr. President, will the Senator tell me whether, in the language that was used by President McKinley, he meant to say that we must always buy from the same country to which we sell?

Mr. POMERENE. Oh, no, Mr. President; and there was nothing in what I said that would indicate that I was trying to represent McKinley as so stating.

Mr. McCUMBER. No; the reason why I asked the Senator was because the argument to-day seemed to be along the line that we must always sell to the country from which we buy.

Mr. POMERENE. Oh, I did not make any such statement as that. McKinley, whatever his earlier views may have been, when he became President and when he died had a mental vision as broad and as comprehensive as the country itself. I am afraid that some of our friends who have been discussing this tariff bill can see nothing at all except the interests of the very few who are specially interested in tariff rates, and perhaps some of them specially interested themselves in having particular rates

adopted; and some of them have advocated rates here under circumstances that are no credit to the Senators themselves.

Mr. President, I have here a letter which bears upon the subject of the duty upon this ore, which I would like to have inserted in the Record without reading.

There being no objection, the letter was ordered to be printed in the Record, as follows:

APRIL 2, 1921.

CHAIRMAN WAYS AND MEANS COMMITTEE,  
House of Representatives, Washington, D. C.

DEAR SIR: In connection with the proposed tariff legislation, we wish to be placed on record as opposing any increase in the tariff on ferromanganese, ferrosilicon, ferrovanadium, ferrotungsten, or ferrochromium, or any increase in the tariff on the ores from which these ferroalloys are produced. We particularly protest against any increase in the duty on ferromanganese.

This is a matter of vital interest to us as independent producers of steel.

The selling price of ferromanganese, covering a period of 10 years before the war, averaged about \$47.50. It has recently been proposed that the duty on ferromanganese be increased by the sum of \$44.80 per ton—nearly a 100 per cent increase.

Under the tariff act of 1897 ferromanganese was assessed \$4 per ton, and under the act of 1909 it was assessed \$2.50 per ton. As a revenue producer we would not object to a duty not exceeding the tariff act of 1897—that is, \$4 per ton—but even in that event the American manufacturers of ferromanganese should be compelled to show by sworn statements if their cost of production is greater than the foreign cost, after making due allowance for the ocean freight and other charges on the foreign product.

Ferromanganese is produced in a blast furnace, and these blast furnaces when not operating on ferromanganese can be utilized for the production of pig iron.

The surplus foreign products of ferromanganese, barred from the American market, would be sold in Europe at low figures, thus giving to the European steel manufacturers a distinct advantage in costs, thereby placing the American steel manufacturers at a disadvantage in the markets of the world where we all hope to sell our surplus products.

Please note that the United States Steel Corporation and a few of the largest steel producers produce their own ferromanganese. This puts the smaller independent steel companies to a great disadvantage as compared with the United States Steel Corporation.

The three or four ferromanganese producers in the United States are seeking a monopoly of the trade under a tariff which would eliminate all competition. Every one of the more than 400 active steel works in the United States would be affected. The entire steel industry would be heavily taxed for the benefit of three or four interests.

Ferromanganese, in any event, must be made from ore bought from distant parts.

Government records will show that the average selling price of ferromanganese in this country during the period from 1908 to 1914, inclusive, was only about \$47 per ton. Therefore, the protection which is proposed of \$44.80 per ton would be a severe penalty to inflict on the United States consumers of ferromanganese.

A tariff of \$4 per ton, or 10 per cent, should easily cover all differences in cost.

These selfish ferromanganese manufacturers are asking for a 100 per cent tariff duty and at the same time asking that manganese ore be continued on the free list.

Please further note that the records show that in the four years from 1915 to 1918 practically all of the imported ferromanganese was delivered to consumers at an average price of \$118.13, plus about \$4 per ton freight, while in the same period the average quotation for American ferromanganese was \$202.83.

We object to the proposed rate on the following grounds:

1. That it is excessive and prohibitive and therefore would not produce a cent of revenue; that it would allow a small group of American makers to monopolize this market and pocket the difference due to this high tariff.

2. Ferromanganese is produced in an ordinary blast furnace, which may be utilized for the production of pig iron when not operating on ferromanganese. Therefore it can not be stated with any degree of truthfulness that this rate is needed to protect an industry, as the manufacture of ferromanganese is not in the true sense of the word an industry. Therefore they are not entitled to a high rate of duty.

As a means of revenue we would recommend a rate of not exceeding \$4 per ton, and this amount, added to the present ocean freight of about \$4 per ton, would actually give to the American ferromanganese manufacturer a protection of about \$8 per ton, which, in our opinion, is more than the difference between the actual cost of production of the average American and English ferromanganese furnaces.

Respectfully submitted.

Mr. McCUMBER. Mr. President, before voting upon this subject, I think it fair for me to state, on behalf of the committee, the thoughts which governed the majority of the committee in deciding to levy no rate against the importation of manganese ore.

Mr. NICHOLSON. Mr. President, I would like to ask a question of the Senator from Ohio. Did I understand the Senator from Ohio to say that if a duty of 1 cent a pound is added it means that the tariff is \$20 a ton? Is that the statement the Senator made?

Mr. POMERENE. That is the substance of what I said.

Mr. NICHOLSON. In order that the question may be clearly understood, let us take ore containing 30 per cent manganese. Under the rate asked for here the rate would be \$6 a ton, not \$20 a ton. If the manganese content should be 35 per cent, it would be \$7, not \$40. I submit that that is not an exorbitant rate of duty to ask for, when you take into consideration the rates of duty that are afforded on the manufactured products.

Mr. STANLEY. Mr. President, I do not wish to interrupt, but as I understood the Senator, the duty is a cent a pound on the manganese content.

Mr. NICHOLSON. Yes.

Mr. STANLEY. That would amount to \$25 a ton on the ore. If they should bring manganese into this country containing one-half of 1 per cent, it would be practically nothing.

Mr. NICHOLSON. It would be practically nothing.

Mr. STANLEY. They would have to import that many more tons of ore.

Mr. NICHOLSON. Yes.

Mr. STANLEY. They would have to produce enough low-grade ore to make it 25 cents on the ton.

Mr. McCUMBER. If the Senators will kindly allow me, I will restate the reasons which actuated the majority of the committee in deciding that this is not an opportune time to levy a duty on manganese ore.

First let it be remembered that all were agreed upon one proposition—that less than 1 cent per pound protection would be of no use whatever to the producers of manganese ore. The junior Senator from Ohio [Mr. WILLIS] indicated to-day that he might be in favor of a reasonable tariff upon the ore, but I think all agreed that if we were going to have protection at all it could not be less than 1 cent per pound upon the manganese content. So that had to be taken into consideration. The manganese content of the ore which is imported averages about 1 cent a pound. That means that the duty of 1 cent would be 100 per cent ad valorem.

The next matter which was taken into consideration by the committee was the fact that a majority of the majority believed that there was not a sufficient amount of manganese ore that could be worked profitably to last more than three or four or five or six years; no matter whether you say it is a couple of years or three years or five years, it was estimated that it was of very short duration. I am not passing judgment upon whether the members of the committee who took that view were right or wrong. I simply say that they were supported by the Tariff Commission and also by the Geological Survey, all holding that there is not a sufficient amount in the United States to last more than a few years. Nor do I pass judgment upon whether their survey was full and adequate or otherwise. I am simply saying that the majority of the committee were led to believe that that was the fact.

Mr. WALSH of Montana. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. The first reason the Senator gave as a reason actuating the committee was that a rate of 1 cent a pound on the manganese content would be equivalent to a 100 per cent ad valorem rate. What was the limit fixed by the committee?

Mr. McCUMBER. I stated, first, that anything less than 1 cent a pound was not sufficient protection, if we were going to have protection; that if we were going to have protection at all it would be necessary to have at least 1 cent per pound. I stated in addition to that—and that is my information—that the rate on the ore as imported amounts to putting 1 cent per pound on the manganese content; therefore, that 1 cent per pound was equivalent, of course, to 100 per cent duty. That is my information from the experts.

Mr. WALSH of Montana. That is just the point. The committee would not go above 100 per cent ad valorem upon this particular commodity.

Mr. McCUMBER. I hope the Senator will not say that, because I did not say anything of the kind. I am simply stating some of the things the committee considered.

Mr. WALSH of Montana. I understand perfectly well that the committee found that a rate of 100 per cent ad valorem would not be a protective rate, and accordingly that was the consideration which induced them to drop the idea of fixing a protective rate. What I want to know from the Senator, did the committee have some limit of ad valorem rates above which it would not go?

Mr. McCUMBER. No, Mr. President, it did not consider at all either how high it would go or how high it would not go. There are a number of items in the bill the rates on which are very much above 100 per cent.

That was not the governing matter, but I thought it was worth considering by the Senate; that is, that it might take into consideration whether, with the 100 per cent that was necessary, taking into further consideration the fact, or at least that which was believed to be the fact, that the supply could not last more than a few years, they were justified in placing either so high a duty or any duty that would be necessary.

The next thing that was taken into consideration was the question of the preservation of the present supply. Assuming, of course, that there was only sufficient to last for a few



years, remembering how the price soared to the very skies when war came on, there was a feeling on the part of many that it would be better to retain the supply which seemed to be in sight to meet any emergency. I am not giving my view or giving the view of any particular Senator, but simply trying, in a straightforward way, to indicate to the Senate the thoughts which came to the minds of the majority of the committee.

It must be remembered, as indicated, that prior to 1914 we produced in this country only 4,000 tons. In 1918, with a content running as high as \$450 a ton, we could use any kind of ore, of course, to profit, and we produced 305,000 tons in 1918. That was more than half of what was necessary to supply the American market, I think.

The American ore, according to the report of the Tariff Commission, averages from 35 to 45 per cent manganese content. The foreign averages from 45 per cent to 55 per cent manganese content, and I am informed that if it is less than 50 per cent manganese content, it comes in at a very much reduced rate, owing to the fact that it costs much more to extract the manganese content.

I do not know whether we have enough to supply the country for a good many years or whether we have not. I do not know whether the reports are correct which are given us by the Tariff Commission and by the Geological Survey, but I am simply presenting the facts upon which the majority of the committee acted, and it is for the Senate to decide whether or not, with those facts in view, and with what evidence they have since received from those Senators who are speaking as experts upon this subject, they feel that they are justified in taking this matter off of the free list and disagreeing with the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the committee.

Mr. WALSH of Montana. May the amendment be stated by the Secretary, Mr. President?

Mr. UNDERWOOD. I think we had better have a quorum before we have a vote on this question. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Lenroot	Shortridge
Ball	Gooding	McCumber	Smith
Brandegee	Hale	McKinley	Smoot
Broussard	Harris	McLean	Spencer
Bursum	Harrison	McNary	Stanley
Cameron	Heflin	Myers	Townsend
Capper	Johnson	Nicholson	Underwood
Colt	Jones, Wash.	Oddie	Walsh, Mass.
Cummins	Kellogg	Pepper	Walsh, Mont.
Curtis	Kendrick	PoinDEXTER	Warren
Dial	Keyes	Pomerene	Watson, Ind.
du Pont	King	Ransdell	Willis
Edge	Ladd	Rawson	
France	La Follette	Sheppard	

The VICE PRESIDENT. Fifty-four Senators have answered to their names. A quorum is present. The question is on the adoption of the committee amendment, which will be stated.

The ASSISTANT SECRETARY. On page 48, paragraph 302, the committee proposes to strike out "manganese ore or concentrates containing in excess of 30 per cent of metallic manganese, 1 cent per pound on the metallic manganese contained therein; molybdenum" and insert in lieu thereof "Molybdenum," so as to read:

Molybdenum ore or concentrates, 75 cents per pound on the metallic molybdenum contained therein.

Mr. NICHOLSON. Mr. President, I ask that the Senate disagree to the amendment of the committee, and I ask for the yeas and nays on the question.

Mr. WALSH of Montana. I inquire whether the amendment to be voted upon should not be considered as being concluded with the word "therein," at the end of line 22, instead of including the two succeeding words?

Mr. McCUMBER. Of course, one provision is to strike out and the other provision is to place the product on the free list. The one would have to follow the other, and I assume the Senator has the right to ask for a division, there being practically two amendments.

Mr. SMOOT. I will say to the chairman of the committee that there ought to be two votes. The amendment ought to be divided, because there are two entirely different subjects. One is molybdenum ore and the other is manganese ore. The first amendment down to the word "therein" ought to be disagreed to or agreed to.

Mr. McCUMBER. The first amendment would be to strike out lines 20, 21, and 22, ending with the word "therein."

Mr. WALSH of Montana. I ask unanimous consent that the question be divided and that the Senate first vote upon that part of the amendment concluding with the word "therein."

Mr. SMOOT. Or that part which pertains to manganese ore? Mr. WALSH of Montana. Exactly, that which pertains exclusively to manganese ore.

Mr. McCUMBER. That is satisfactory to me.

Mr. NICHOLSON. Mr. President, I want to understand the question clearly. Agreeing to the committee amendment means the placing of manganese ore on the free list, does it not?

Mr. SMOOT. That is right.

Mr. WALSH of Montana. It does not affect the situation at all, only that by reason of the construction of the sentence molybdenum is combined with manganese, and the purpose of my suggestion is to exclude that part of the amendment which refers not to manganese but to molybdenum, leaving the language we are voting on that which refers to manganese alone.

Mr. McCUMBER. That is perfectly satisfactory.

Mr. NICHOLSON. I wish to have a statement from the Chair if it is not a fact that by voting for the committee amendment we vote to place manganese upon the free list.

The VICE PRESIDENT. That is the understanding of the Chair.

Mr. NICHOLSON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. POINDEXTER. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state the inquiry.

Mr. POINDEXTER. What has been done with regard to the request of the Senator from Montana to divide the question?

The VICE PRESIDENT. Without objection it is so ordered, and the Secretary will state the first part of the amendment.

The ASSISTANT SECRETARY. The first part of the amendment is on page 48, in paragraph 302, to strike out the words "manganese ore or concentrates containing in excess of 30 per cent of metallic manganese, 1 cent per pound on the metallic manganese contained therein."

Mr. POINDEXTER. So this part of the amendment does not involve molybdenum in any way, but restricts it entirely to manganese ore.

The VICE PRESIDENT. That is the understanding of the Chair. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

Mr. COLT (when his name was called). I transfer my pair with the junior Senator from Florida [Mr. TRAMMELL] to the senior Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. EDGE (when his name was called). Transferring my pair with the senior Senator from Oklahoma [Mr. OWEN] to the Senator from West Virginia [Mr. ELKINS], I vote "yea."

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from New York [Mr. CALDER] and vote "yea."

Mr. HARRIS (when his name was called). On this question I have a pair with the Senator from South Dakota [Mr. NORBECK]. In his absence I withhold my vote.

Mr. HARRISON (when his name was called). On this vote I am paired with the senior Senator from Idaho [Mr. BORAH]. I understand that if present he would vote "nay." If I were at liberty to vote, I would vote "yea." I ask to be noted as "present."

Mr. JONES of Washington (when his name was called). The Senator from Virginia [Mr. SWANSON] is necessarily absent. I have agreed to take care of him with a pair for the day. However, I find that I can transfer that pair to the junior Senator from Oregon [Mr. STANFIELD], which I do, and vote "nay."

Mr. KENDRICK (when his name was called). I transfer my pair with the senior Senator from Illinois [Mr. McCORMICK] to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. SMITH (when his name was called). I have a general pair with the Senator from South Dakota [Mr. STERLING]. In his absence I transfer that pair to the junior Senator from Georgia [Mr. WATSON] and vote "yea."

Mr. STANLEY (when his name was called). I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. SUTHERLAND (when his name was called). I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WARREN (when his name was called). I transfer my general pair with the junior Senator from North Carolina [Mr. OVERMAN] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

The roll call was concluded.

Mr. KELLOGG (after having voted in the negative). I transfer my pair with the Senator from North Carolina [Mr. SIMMONS] to the senior Senator from Minnesota [Mr. NELSON] and let my vote stand.

Mr. DIAL (after having voted in the affirmative). I have a pair with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK] and allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 19, nays 35, as follows:

#### YEAS—19.

Brandegge	Frelinghuysen	Pepper	Sutherland
Colt	Hale	Pomerene	Underwood
Curtis	King	Smith	Walsh, Mass.
Dial	McCumber	Smoot	Willis
Edge	McLean	Stanley	

#### NAYS—35.

Ashurst	France	Ladd	Ransdell
Ball	Gooding	La Follette	Rawson
Broussard	Heflin	Lenroot	Sheppard
Bursum	Johnson	McKinley	Shortridge
Cameron	Jones, N. Mex.	McNary	Spencer
Capper	Jones, Wash.	Myers	Townsend
Caraway	Kellogg	Nicholson	Walsh, Mont.
Cummins	Kendrick	Oddie	Warren
du Pont	Keyes	Polindexter	

#### NOT VOTING—42.

Borah	Harreld	Norbeck	Stanfield
Calder	Harris	Norris	Sterling
Crow	Harrison	Overman	Swanson
Culberson	Hitchcock	Owen	Trammell
Dillingham	Lodge	Page	Wadsworth
Elkins	McCormick	Phipps	Watson, Ga.
Ernst	Mckellar	Pittman	Watson, Ind.
Fernald	Moses	Reed	Weller
Fletcher	Nelson	Robinson	Williams
Gerry	New	Shields	
Glass	Newberry	Simmons	

So the committee amendment was rejected.

Mr. McCUMBER. The action just taken necessitates a disagreement to the amendment on line 23, and I ask that that amendment may be disagreed to.

The PRESIDING OFFICER (Mr. EDGE in the chair). The question is upon agreeing to the amendment indicated by the Senator from North Dakota.

The amendment was rejected.

Mr. McCUMBER. Mr. President, I have not carefully made the estimate of what the duty on ferromanganese should be, but I think we should disagree to the amendment on lines 2, 3, and 4 on page 49; and unless it is desired to make a change, I ask that we disagree to that amendment. If we ascertain afterwards that it is necessary to offer some other amendment in order to meet the differential, the committee can report it.

Mr. KING. I should like to inquire of the Senator from North Dakota whether the proper relation will exist, if the course which the Senator has just suggested be taken, between the duty on manganese ore and the duty on ferromanganese, in view of the action of the Senate a moment ago?

Mr. McCUMBER. I think, as we have gone back to the House rate at the beginning of paragraph 302, of 1 cent per pound upon the metallic manganese content in the ore, that it would be equivalent to about 2½ cents per pound on the metallic manganese content in the ferromanganese.

Mr. KING. I think the Senator will find that the percentage is too high; but with the understanding that the experts will figure that out and that the chairman will report back to the Senate, I have no objection.

Mr. SMOOT. I, myself, think that the differential is a little too high.

Mr. UNDERWOOD. What was the request which the Senator from North Dakota made?

Mr. SMOOT. To disagree to the amendment, and if it is found that 2½ cents is too high the Senator from North Dakota will ask to have a change made in the rate.

Mr. UNDERWOOD. I should like to say to the Senator from North Dakota that if he prefers to go on to-night, of course, I am satisfied to discuss the question. I think the rates on the ferro-alloys are entirely too high, and I think an amend-

ment to change them should be made; but a part of them can not be reached by amendment of the Senate committee amendment. I think it would be better to let the whole paragraph go over until the other items of the bill are finished, when we can offer amendments to the whole paragraph.

Mr. McCUMBER. I think the Senator's suggestion is a good one, especially as we have got to consider other amendments, although I think the first amendment is about correct. In this connection I should like to put into the Record a brief statement.

It takes 110 pounds of manganese in the ore to produce 80 pounds of manganese in ferromanganese. At 1 cent per pound the duty on the ore sufficient to make 1 ton of ferromanganese will amount to \$24.64, whereas the duty on 80 per cent of ferromanganese at 2½ cents per pound of manganese equals \$39.42 per ton. Hence the duty is not only compensatory, but also \$14.78 on a ton of 80 per cent ferromanganese, or about eight-tenths of a cent per pound on the manganese content in the ferromanganese.

That, of course, may not be very clear without reading it over carefully. However, Mr. President, I think we had better pass over the remainder of that paragraph and try between now and our meeting to-morrow to get the proper differential that should be made with the duty on the manganese content of the ore at 1 cent per pound.

Mr. KING. In figuring the differential the Senator does not intend, I take it, to add anything in the way of compensation for profits?

Mr. McCUMBER. Will the Senator kindly repeat his question?

Mr. KING. In determining the compensatory duty to be given to ferromanganese, the Senator does not intend to add anything by way of profit, but just a fair allowance to cover the difference?

Mr. McCUMBER. It is merely proposed to fix the proper rate in view of the 1 cent which is given to the manganese content.

Mr. UNDERWOOD. The Senator from North Dakota made some suggestion about taking this matter up to-morrow. If the Senator is going to pass it over, I should much prefer to go on with it to-night, unless the Senator is going to pass it over for some time. I asked that the paragraph be passed over until we finish the remainder of the bill, for when the consideration of the bill is concluded I should like to offer an amendment which will go to the whole paragraph. We are not permitted now to amend the whole paragraph, and I had rather make one argument than to make two or three.

Mr. McCUMBER. The great difficulty is that there will be so many requests to have matters go over until we get to the end of the bill that I am afraid we shall get lost.

Mr. UNDERWOOD. Very well; then we will go on with it to-night.

Mr. McCUMBER. I stated the reason why I thought we ought not to go on with it to-night. Inasmuch as we have now imposed a duty of 1 cent per pound on the manganese content of the ore, it will take some time to figure exactly the compensatory duty. It is difficult to figure it on the floor of the Senate without sitting down with pencil and paper.

Mr. UNDERWOOD. I realize that. Therefore I think it would suit the Senator's convenience that it should go over, but to suit my convenience I do not desire that it go over merely for a day or for two days. I want to compromise and have it go over until the end of the bill shall have been reached.

Mr. McCUMBER. I can see the Senator's point, but let us pass it over at least for to-night, because we can not possibly dispose of it to-night.

Mr. UNDERWOOD. I hope the Senate will take no action on the matter unless I am notified.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over.

#### ORDER FOR RECESS.

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate concludes its session on this calendar day that it take a recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. HEFLIN. Mr. President, is it the purpose of the Senator from North Dakota to take a recess about 10 o'clock to-night?

Mr. McCUMBER. It is my purpose to take a recess just as soon as the Senator from Wisconsin [Mr. LA FOLLETTE] presents a matter which he desires to bring before the Senate.

Mr. CURTIS. Mr. President, we desire to have a short executive session, I will say to the Senator from North Dakota.

Mr. McCUMBER. I understand that.



The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota, that when the Senate concludes its session this evening it shall recess until 11 o'clock to-morrow morning? The Chair hears none, and such order will be entered.

#### MUSCLE SHOALS DEVELOPMENT.

Mr. LA FOLLETTE obtained the floor.

Mr. UNDERWOOD. Mr. President, I ask the Senator from Wisconsin to yield to me for a moment.

Mr. LA FOLLETTE. I yield to the Senator from Alabama.

Mr. UNDERWOOD. I ask unanimous consent that a memorial passed by the Southern Commercial Congress at its meeting at Muscle Shoals in May last in reference to the Muscle Shoals be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the order will be entered.

The memorial referred to is as follows:

#### MEMORIAL TO THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES.

Believing that the great industrial project, Muscle Shoals, should be so developed as to secure the greatest good to the Nation, and affirming our confidence in the ability and purpose of the President and the Members of Congress who bear the responsibility for the future of this great national asset, we, the authorized delegates to the national conference on Muscle Shoals, in session under the auspices of the Southern Commercial Congress at Muscle Shoals, May 22-24, 1922, having carefully considered the features of this undertaking and after inspection of this property and the serious study of the several proposals therefor, offer the following memorial in testimony of our unanimous convictions:

National progress and national existence itself depends upon the maintenance of our soil's fertility, together with adequate provision for our national defense.

No single human endeavor in the United States affords such promise of advancing the national welfare in both of these ways as does the uncompleted Muscle Shoals project.

To abandon and scrap this project would be an economic crime.

The real usefulness of Muscle Shoals can be realized only by a comprehensive development that calls for vast capital and organizing ability of a high order, available to but a few private citizens, and to the Government itself.

This country has attained a foremost place in wealth and industry not by governmental engagement in business but by the enterprise and ability of its private citizens, among whom none commands a greater degree of confidence based upon achievements than does Henry Ford.

The Ford proposal is the only offer pending which provides—

For full development of all of the power possibilities of the Tennessee River;

For utilizing the great resources of the Tennessee Valley;

For the adequate improvement of navigation;

For a guaranty of cheap fertilizers on a scale which offers substantial encouragement to millions of American farmers; and

For the maintenance for 100 years of the nitrate plant, assuring at all times a domestic supply of explosives in time of war.

Detailed congressional investigations have confirmed our view of the situation and have disclosed the opposition as that of selfish interests, who, disregarding the national welfare, seek to prevent that which they themselves when offered the opportunity declined to undertake.

The problem has been under consideration by the people of this country for more than a year; the facts are now well known; the issue is clearly defined and the time for action is at hand.

Therefore we do earnestly urge upon the President and the Congress to end the delay and suspense by early and decisive action accepting the offer of Mr. Ford.

In pursuance of the foregoing declarations to the President and the Congress of the United States and to the American people: Be it further

Resolved, That a legislative committee be, and is hereby, appointed to present this memorial to the President and the Congress and to use every proper effort to further the legislative program adopted at this conference, and that the said committee shall consist of Hoke Smith, of Georgia; Thomas R. Preston, of Tennessee; and Clarence J. Owens, director general of the Southern Commercial Congress, Washington, D. C., with the power and authority to increase this committee in their discretion to the number of 11.

#### PROPOSED MERGER OF STEEL COMPANIES.

Mr. LA FOLLETTE. Mr. President, in response to Senate Resolution 286, passed by the Senate on the 12th of May, the Federal Trade Commission addressed a communication to the Senate which was received this morning and handed down by the Vice President. I was unable at that time to have it read to the Senate for the reason that the Senator from Indiana [Mr. WATSON] had the floor and declined to yield for that purpose. The communication consists of four pages of typewritten matter and will take perhaps 10 minutes to read. I ask to have it read at this time, and that it be printed in the RECORD in 8-point type.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin that the communication shall be read and printed in the RECORD in 8-point type? The Chair hears none. The Secretary will read as requested.

The Assistant Secretary read as follows:

#### FEDERAL TRADE COMMISSION, Washington.

To the PRESIDENT OF THE UNITED STATES SENATE.

SIR: By Resolution No. 286, agreed to on May 12, 1922, the Attorney General of the United States and the Federal Trade Commission were requested to inform the Senate what steps had been taken, or they proposed to take, to ascertain the pur-

pose and probable effects of the proposed merger of certain steel companies therein named; to inform the Senate as to results of any investigations which they may have conducted; and what actions they have instituted to protect the public interest.

In so far as this resolution is directed to the Federal Trade Commission, that commission presents the following report:

In the early part of December, 1921, the attention of the Federal Trade Commission was attracted by reports and rumors of proposed and impending mergers of considerable importance in many lines of industry. The commission thereupon, by resolution, directed its proper officials to seek all possible information with reference to these proposed mergers and to keep the commission advised as to their progress. Prior to the adoption of Senate Resolution 286, the proposed merger among the steel companies was under observation by the commission, and it was collecting information with reference thereto.

Up to the time of this resolution, however, none of these proposed mergers had reached a sufficiently definite or concrete stage to warrant the commission in reaching a conclusion with reference to the legality of such proposed mergers.

Subsequent to the adoption of the resolution in question it became apparent that the movement toward a merger in the steel industry had taken on the form of a combination of the Bethlehem Steel Corporation and its subsidiaries with the Lackawanna Steel Co. and its subsidiaries on the one hand and a like combination of the properties of the Midvale Steel & Ordnance Co., the Republic Iron & Steel Co., and the Inland Steel Co., these three latter companies proposing to form a new corporation to be known as North American Steel Co.

The Bethlehem-Lackawanna merger has advanced to a stage where it is practically complete except for the necessary ratification by the stockholders of the two companies, and we are informed that this remaining detail will be completed as soon as possible.

The Federal Trade Commission had considerable information already at hand with reference to the position of the Bethlehem Steel Corporation and its subsidiaries and the Lackawanna Steel Co. and its subsidiaries in the steel industry and the relation of each to each other and to competitive conditions in the steel market generally. This information has been supplemented by inquiry and research with the result that the Federal Trade Commission upon the information before it has reason to believe, in the language of its constituent act, that the proposed Bethlehem-Lackawanna merger when consummated will constitute an unfair method of competition in that it contains a dangerous tendency unduly to hinder competition and to restrain trade and commerce, and that a proceeding by the commission in this respect is in the public interest.

In this aspect under its constituent act it becomes the duty of the Federal Trade Commission to issue its complaint and to state its charges in that behalf. The Federal Trade Commission therefore issued its complaint directed to the Bethlehem and Lackawanna companies on Saturday, June 3, and for the further information of the Senate attaches a copy of this complaint hereto.

Of course, the issue of the complaint is merely the institution of formal proceedings to test the legality of the proposed merger. In the ordinary course answer will be filed to this complaint and testimony will be taken both on behalf of the Government and of the two steel companies. At the conclusion of this testimony and after argument the commission will determine the facts and apply the law thereto. And only if such a conclusion is justified by the facts will an order to cease and desist from the proposed merger be issued. Otherwise the complaint will be dismissed. In other words, in the issue of the complaint the Federal Trade Commission expresses no final judgment as to the legality of the proposed merger.

If an order to cease and desist from the proposed merger is issued, it is, of course, subject to review by the United States Circuit Court of Appeals.

#### THE MIDVALE-REPUBLIC-INLAND MERGER.

With reference to the proposed Midvale-Republic-Inland merger and the formation of the North American Steel Co., we are advised that tentative arrangements entered into between the executive officers of these three companies have been settled upon and agreed to on behalf of the board of directors of the companies, and tentative arrangement has been made with Kuhn, Loeb & Co. for the financing of the proposed merger. The actions of these three companies have not so far advanced toward completion as to reveal the essential facts with the same precision and comprehensiveness as in the Bethlehem-Lackawanna case, and the Federal Trade Commission therefore has not yet been able to reach a reason to believe either that the proposed three-company merger will or will not carry the same tendency and capacity as in the case of the Bethlehem-Lackawanna.

wanna merger above referred to. The details of this plan are, however, being carefully followed, and so soon as the commission is in possession of sufficient information it will make further report to the Senate as to the second of these proposed mergers.

By the commission.

Respectfully submitted.

NELSON B. GASKILL, *Chairman.*

Mr. LA FOLLETTE. Mr. President, attached to the communication addressed to the Senate, which has just been read, is a complaint which was served on the new Bethlehem and Lackawanna steel merger, on the 3d day of June, which was last Saturday. The whole subject is of such interest to the people of this country that I also ask to have the complaint printed in the RECORD in 8-point type, but not read at this time.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and the order will be made.

The complaint referred to is as follows:

United States of America, before Federal Trade Commission, in the matter of the Bethlehem Steel Corporation and the Lackawanna Steel Co. Docket No. 891.

#### COMPLAINT.

Acting in the public interest pursuant to the provisions of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," the Federal Trade Commission charges that the Bethlehem Steel Corporation and the Lackawanna Steel Co., hereinafter referred to as respondents, have been and are using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of said act, and states its charges in that respect as follows:

PARAGRAPH 1. Respondent, Bethlehem Steel Corporation, is a corporation organized under the laws of the State of New Jersey. The outstanding capital stock of respondent amounts to \$104,770,000 par value. The funded debt, consisting of obligations of various issues, chiefly of bonds issued by Bethlehem Steel Corporation and bonds issued or assumed by the Bethlehem Steel Co. or their subsidiaries, amounts to \$146,432,896.52. It is what is commonly known as a holding corporation, owning a controlling interest in the capital stock of a number of other corporations, the organization and business of which are described in paragraphs 2 to 11 of this complaint.

PAR. 2. The Bethlehem Steel Co. is a corporation organized under the laws of the State of Pennsylvania, and owns and operates plants for the manufacture of crude and semi-finished and finished iron and steel products located at Bethlehem, Steelton, Lebanon, and Reading, Pa. The Bethlehem Steel Co. also owns a controlling interest in the capital stock of the Beth-Mary Steel Corporation, which owns and operates a plant for the manufacture of crude and semi-finished steel products at Sparrows Point, Md., said plant being operated by the Bethlehem Steel Co. under a lease.

PAR. 3. Bethlehem Steel Bridge Corporation is a corporation organized under the laws of the State of Delaware, which manufactures and sells bridge materials and structural steel for buildings and erects bridges in various parts of the United States.

PAR. 4. Bethlehem-Cuba Iron Mines Co. is a corporation organized under the laws of the State of West Virginia, owning and operating iron-ore mines in Cuba and operating under lease the mines of Juragua Iron Co., Cuba.

PAR. 5. The Juragua Iron Co. is a Pennsylvania corporation owning iron-ore mines in Cuba, the same being leased to the Bethlehem-Cuba Iron Mines Co.

PAR. 6. Bethlehem-Chile Iron Mines Co. is a corporation organized under the laws of Delaware, and operates under lease the Tofo iron-ore mines located at Cruz Grande in the Province of Coquimbo, Chile.

PAR. 7. Cornwall Ore Banks Corporation is a corporation organized under the laws of the State of Pennsylvania. It owns iron-ore mines in Cornwall and Lebanon townships in Lebanon County, Pa., the said mines being operated by the Cornwall Ore Bank Co., an unincorporated association controlled by the Bethlehem Steel Co.

PAR. 8. The Bethlehem Iron Mines Co. is a corporation organized under the laws of the State of New York, owning ore-mining properties in Cuba.

PAR. 9. Finch Run Coal Co. is a corporation organized under the laws of the State of Delaware, owning coal-mining properties in Marion County, W. Va.

PAR. 10. The Penn-Mary Coal Co. is a corporation organized under the laws of the State of Pennsylvania, owning coal-mining properties in Pennsylvania and West Virginia.

PAR. 11. The Bethlehem Mines Corporation is a corporation organized under the laws of the State of Delaware, and owning and operating limestone quarries at Bethlehem, Steelton,

Lebanon, and Hanover, Pa., and McAfee, N. J.; and operating under lease the coal mines of Finch Run and Penn-Mary coal companies.

PAR. 12. Respondent, Bethlehem Steel Corporation, also owns a controlling interest in the stock of various other corporations engaged in shipbuilding and in transportation by rail and by water.

PAR. 13. Respondent, Bethlehem Steel Corporation, through its stock ownership in the corporations described in paragraphs 2 to 11, inclusive, of this complaint, is engaged in the business of managing, controlling, and directing the operations and businesses of said subsidiaries, including the sale of their products throughout the United States. Through its subsidiary, the Bethlehem Steel Co., it manufactures and sells large quantities of iron and steel commodities, including, among others, the following: Steel blooms, billets, slabs and sheet bars; rail joints, splice bars, tie plates, and other rail accessories; structural steel shapes; plates; forging ingots; steel bridges, viaducts, buildings, and pier caissons; railroad spikes, truck bolts, and nuts. Said respondent also manufactures and sells through its subsidiaries other iron and steel commodities. It manufactures and sells approximately 7 per cent of all the steel rails and approximately 16 per cent of all the long-angle splice bars and other rail accessories made in the United States. Its production of steel rails amounts to approximately 10 per cent of all such rails manufactured in that portion of the United States which embraces the State of Ohio and the territory north of the Potomac River and to the east of the said State, and its production of long-angle splice bars and other rail accessories amounts to 22 per cent of all these commodities manufactured in the said territory. It manufactures and sells in interstate commerce, as described in paragraph 14 herein, a substantial percentage of the other commodities named in this paragraph made in the United States, and manufactures a large percentage of such commodities made in the State of Ohio and in the territory north of the Potomac River and east of the said State. Respondent, Bethlehem Steel Corporation, and its subsidiaries, and respondent, Lackawanna Steel Co., and its subsidiaries, are important factors in making the market prices of the commodities named in this paragraph sold in interstate commerce in the New England States, New York, New Jersey, and eastern Pennsylvania, and practically control the market in such commodities in those States.

PAR. 14. The respondent, Bethlehem Steel Corporation, through its subsidiaries, taken as a whole, is engaged in the mining of iron ore, the mining of coal, the quarrying of limestone, the production therefrom of iron and semi-finished and finished steel commodities, and is thus an integrated enterprise owning and controlling all stages of the production of the commodities sold by it from the raw materials to the semi-finished and finished commodities. Said respondent and its subsidiaries sell products and commodities made by said subsidiary corporations to persons in various States of the United States, and cause such commodities, when so sold, to be transported from the points of production or manufacture into and through other States to purchasers at points in States other than the States where such products are manufactured and at points in foreign countries and pursuant to contracts of sale theretofore entered into by respondent or its subsidiaries. In the sale of such products and commodities in interstate commerce as herein described said respondent, of itself and through its subsidiaries, is in direct competition with respondent, Lackawanna Steel Co. and its subsidiaries, and with other individuals, partnerships, and corporations engaged in the manufacture and in the sale in interstate commerce of iron and steel commodities of the same kind and character as those sold by the Bethlehem Steel Corporation and its subsidiaries as set out in paragraph 13 of this complaint.

PAR. 15. Respondent, Lackawanna Steel Co., is a corporation organized under the laws of the State of New York, with its principal place of business in said State. It is both a holding and operating company and either directly or through its subsidiaries is engaged in the mining of iron ore and of coal, quarrying of limestone, and in the manufacture therefrom and sale of iron and steel commodities, and is thus an integrated enterprise owning and controlling all stages of the production of the commodities sold by it from the raw materials to the semi-finished and finished commodities. Its capital stock (all common) issued and outstanding is \$35,108,500, and it has bonds outstanding to the value of \$21,236,000.

The respondent, Lackawanna Steel Co., manufactures, among other things, steel blooms, billets, slabs, and sheet bars; rails, rail joints, splice bars, tie-plates, and other rail accessories; steel shapes; plates forging ingots, railroad spikes, track bolts and nuts; and a number of other iron and steel com-



modities. It manufactures and sells in excess of 15 per cent of all the steel rails made in the United States, or approximately 23 per cent of all such rails manufactured in that portion of the United States which includes the State of Ohio and the territory north of the Potomac River and to the east of said State. It manufactures approximately 11 per cent of all the long-angle splice bars and other railroad accessories made in the United States, or approximately 17 per cent of all these commodities made in the territory above described. It owns an interest in the capital stock of numerous subsidiaries, the names, organization, and businesses of the principal of which are set out in paragraphs 16 to 25 of this complaint, together with the percentage of stock held or owned in each.

PAR. 16. The Lackawanna Bridge Works Corporation is a corporation organized and existing under the laws of the State of New York, and is engaged in the manufacture and sale, in interstate commerce, as described in paragraph 29, of steel bridges and steel for the fabrication of other structures, and in the erection in various parts of the United States of the structures for which said materials are sold. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 17. The Sunday Lake Iron Co. is a corporation organized and existing under the laws of the State of Michigan, operating leased iron-mining properties. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 18. The Brotherton Iron Mining Co. is a corporation organized and existing under the laws of the State of Michigan, operating leased iron-mining properties. Practically its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 19. Witherbee, Sherman & Co. is a corporation organized and existing under the laws of the State of New York, owning and operating iron-mining properties, and manufacturing pig iron. One-third of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 20. Hobart Iron Co. is a corporation organized and existing under the laws of the State of Minnesota, operating iron-mining properties in Minnesota. Two-thirds of its capital stock is owned by Lackawanna Bridge Works Corporation.

PAR. 21. Corsica Iron Co. is a corporation organized and existing under the laws of the State of Minnesota, operating leased iron-mining properties in the State of Minnesota. Approximately two-thirds of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 22. The Varona Mining Co. is a corporation organized and existing under the laws of the State of Michigan, operating leased iron-mining properties in Michigan. One-half of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 23. Odanah Iron Co. is a corporation organized and existing under the laws of the State of Wisconsin, operating leased iron-mining properties in Wisconsin. Approximately 27 per cent of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 24. Hoyt Mining Co. is a corporation organized and existing under the laws of the State of Minnesota, operating leased iron-mining properties in Minnesota. Approximately 30 per cent of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 25. The Negaunee Mine Co. is a corporation organized and existing under the laws of the State of Ohio, operating leased iron-mining properties in Michigan. One-half of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 26. The Lackawanna Coal & Coke Co. is a corporation organized and existing under the laws of the State of Pennsylvania, owning and operating coal-mining properties in Pennsylvania. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 27. The Ellsworth Collieries Co. is a corporation organized and existing under the laws of the State of Pennsylvania, owning and operating coal-mining properties in Pennsylvania. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 28. The Lackawanna Steel Co. (of New Jersey) is a corporation organized and existing under the laws of the State of New Jersey and acts as selling agent of the Lackawanna Steel Co. in Illinois and Missouri. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 29. Respondent, Lackawanna Steel Co., itself or through its subsidiaries herein described, sells the commodities made and produced by them and named herein to persons in the various States of the United States, and causes such products and commodities, when so sold, to be transported from the points of production or manufacture into and through other States to purchasers at points in States other than those in which such products or commodities are produced or manufactured,

pursuant to contracts of sale theretofore entered into by the said respondent or its subsidiaries, in competition with other persons or corporations similarly engaged in the manufacture and in the sale in interstate commerce of such commodities.

PAR. 30. Respondent, Bethlehem Steel Corporation and its subsidiaries on the one hand, and respondent, Lackawanna Steel Co. and its subsidiaries on the other, were, before the doing of the things hereinafter alleged, in competition with each other in the manufacture and in the sale, in interstate commerce, as set out in paragraphs 14 and 29 hereof, of the commodities enumerated in paragraph 15 of this complaint, and were, and are, in competition in the sale, in interstate commerce, of such commodities with other individuals, partnerships, and corporations similarly engaged, in the production and in the sale of such commodities in interstate commerce.

PAR. 31. That on or about April 1, 1922, respondents entered into an agreement to combine or consolidate their respective properties, businesses, and interests into a common enterprise, whereby the properties, assets, and business of respondent, Lackawanna Steel Co., as well as that of its subsidiary, the Lackawanna Bridge Works Corporation, and the capital stocks in the subsidiaries of the respondent, Lackawanna Steel Co., set out in paragraphs 16 to 28, inclusive, of this complaint, held and owned by said respondent, Lackawanna Steel Co., all are to be acquired by said Bethlehem Steel Corporation. Pursuant to said agreement, respondent, Bethlehem Steel Corporation, is now acquiring or has acquired, and respondent, Lackawanna Steel Co. is selling, conveying, assigning, or transferring, or has sold, conveyed, assigned, and transferred to respondent, Bethlehem Steel Corporation, all the physical properties, business, and assets of the respondent, Lackawanna Steel Co., and of its subsidiary, the Lackawanna Bridge Works Corporation, and the capital stocks of the subsidiary corporations of the respondent, Lackawanna Steel Co., described in paragraphs 4 to 11, inclusive, of this complaint.

PAR. 32. That said combination of the respondents, Bethlehem Steel Corporation and Lackawanna Steel Co., by purchase of the physical properties and stocks of various corporations owned by the Lackawanna Steel Co., will when the transfers herein described are consummated, control in excess of 22 per cent of all the steel rails produced in the United States and in excess of 33½ per cent of all steel rails produced in the State of Ohio and all territory north of the Potomac River and east of the said State; combination will also control in excess of 26 per cent of the long-angled splice bars and other rail accessories manufactured in the United States and in excess of 39 per cent of these commodities produced in the State of Ohio and all territory north of the Potomac River and east of the said State; that said combination will control very substantial percentages of other crude, semifinished, and finished iron and steel commodities made in the United States, and a substantially larger percentage of these commodities made in the State of Ohio and all territory north of the Potomac River and east of the said State.

PAR. 33. That said acquisition by respondent, Bethlehem Steel Corporation, of the physical properties of the Lackawanna Steel Co. and of the Lackawanna Bridge Co. and of the capital stock of the subsidiary corporations of the Lackawanna Steel Co. described in paragraphs 16 to 28, inclusive, of this complaint will suppress and eliminate all competition which has hitherto existed between Bethlehem Steel Corporation and its subsidiaries, or each or any of such subsidiaries, and the Lackawanna Steel Co. and its subsidiaries, or each or any of such subsidiaries. The said merger or consolidation of properties, business, and interests of the respondent, Bethlehem Steel Corporation, and its subsidiaries, and of the Lackawanna Steel Co. and its subsidiaries as set out herein, has a dangerous tendency unduly to hinder competition in interstate commerce as herein described, or to hinder and lessen competition unduly in interstate commerce, as herein described, in the steel and iron commodities named in this complaint, in certain sections and communities of the United States, and particularly in the New England States, New York, New Jersey, and eastern Pennsylvania.

PAR. 34. That said acquisition by respondent, Bethlehem Steel Corporation, of the physical properties of the Lackawanna Steel Co. and of the Lackawanna Bridge Works Corporation, and of a controlling interest in the capital stock of the subsidiary corporations of the Lackawanna Steel Co., as set out herein, has a dangerous tendency unduly to restrain trade and commerce, as described herein, among the several States in the iron and steel commodities named in paragraphs 13, 15, and 16 of this complaint, and if and when accomplished will unduly restrain such trade and commerce in such commodities, and constitutes an attempt to monopolize and will monopolize such

interstate trade and commerce in certain sections and communities, and particularly in the New England States, New York, New Jersey, and eastern Pennsylvania.

PAR. 35. The acquisition by respondent, Bethlehem Steel Corporation, of the physical properties of respondent, Lackawanna Steel Co., and of its subsidiary, the Lackawanna Bridge Works Corporation, and of the capital stocks of the various subsidiaries of respondent, Lackawanna Steel Co., herein described, and the merger of the respondent corporations in the manner described herein with the tendencies, capacities, or effects charged in this complaint, constitute unfair methods of competition in interstate commerce within the intent and meaning of section 5 of an act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914.

Wherefore, the premises considered, the Federal Trade Commission, on this 3d day of June, A. D. 1922, now here issues this its complaint against said respondents.

#### NOTICE.

Notice is hereby given you, Bethlehem Steel Corporation and Lackawanna Steel Co., respondents herein, that on the 24th day of July, 1922, at 10.30 o'clock in the forenoon, is hereby fixed as the time, and the offices of the Federal Trade Commission in the city of Washington, D. C., as the place, when and where a hearing will be had on the charges set forth in this complaint, at which time and place you shall have the right under said act to appear and show cause why an order should not be entered by said commission requiring you to cease and desist from the violation of the law charged in this complaint.

In witness whereof the Federal Trade Commission has caused this complaint to be signed by its secretary, and its official seal to be hereto affixed, at Washington, D. C., this 3d day of June, 1922.

By the commission.

[SEAL.]

J. P. YODER, Secretary.

#### INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA.

MR. POMERENE. I ask unanimous consent to introduce a bill and have it referred to the Committee on Claims. I also have here a letter giving the history of this claim. I think Senators may be interested in it, and I ask that it be incorporated in the RECORD.

The bill (S. 3678) for the relief of the International Manufacturers' Sales Co. of America (Inc.) was read twice by its title and referred to the Committee on Claims.

The letter was referred to the Committee on Claims and ordered to be printed in the RECORD, as follows:

THURMAN, BULKLEY & QUIGLEY,  
Washington, D. C., May 29, 1922.

HON. ATLEE POMERENE,  
United States Senate, Washington, D. C.

MY DEAR SENATOR POMERENE: In accordance with your request I herewith submit the following in connection with the proposed bill for the relief of the International Manufacturers' Sales Co. of America which you so kindly consented to introduce in the Senate.

The International Manufacturers' Sales Co. of America was originally incorporated in Illinois in 1910, having its office and principal place of business in Chicago. In 1916 it was reincorporated in New York, and at the times hereinafter mentioned had its office and principal place of business in that city. It was organized for the purpose of carrying on a general sales business in Russia and other European countries. The capital stock was owned exclusively by member manufacturers. The company did not function as an agency for these manufacturers but as a subsidiary sales organization, or, in other words, as the direct branch of these manufacturers in Europe under a cooperative plan.

Under this plan the profits of middlemen were eliminated and prices quoted and goods delivered direct from the factories to the buyer. The company was thus able to reduce operating expenses, lessen overhead charges, minimize advertising costs, etc., and thereby enabled to quote to the buyers on behalf of the member manufacturers prices lower than could have been quoted through agents.

After the organization of the company the directors elected as president and general manager Mr. A. S. Postnikoff, an American citizen and a man of many years experience in the foreign field, where he represented the International Harvester Co. Headquarters were then opened in Russia and other European countries. The first years of the operation of the company proved so successful that additional branches were opened in other parts of the world.

As before stated, the company was reincorporated in New York in 1916. At the times hereinafter mentioned the officers of the company were as follows:

A. S. Postnikoff, president; L. K. Liggett, president United Drug Co., Boston, Mass., first vice president; M. D. Jeffrey, export manager, Jeffrey Manufacturing Co., Columbus, Ohio, second vice president; B. T. Leuzardier, treasurer, Chicago Belting Co., Chicago, Ill., treasurer; L. N. Burns, secretary, J. I. Case Plow Works, Racine, Wis., secretary; A. S. Postnikoff, general manager; and R. H. Morris, assistant secretary.

The board of directors was composed of the following: L. H. Treadway, president, Peck, Stow & Wilcox Co., Cleveland, Ohio; Shlras Morris, president, Hart & Hegeman Manufacturing Co., Hartford, Conn.; F. R. Briggs, chairman of board, Thomas G. Plant Co., Boston, Mass.; J. K. Rodgers, director of sales, Du Pont Fabrikoid Co., Wilmington, Del.; L. K. Liggett, president, United Drug Co., Boston, Mass.; B. T. Leuzardier, treasurer, Chicago Belting Co., Chicago, Ill.;

M. D. Jeffrey, export manager, Jeffrey Manufacturing Co., Columbus, Ohio; L. N. Burns, secretary, J. I. Case Plow Works, Racine, Wis.; W. O. Washburn, managing partner, American Holst & Derrick Co., St. Paul, Minn.; H. F. Hering, vice president, New York Rubber Co., New York; and A. S. Postnikoff, president, International Manufacturers' Sales Co. of America.

The following is a list of the stockholders: J. D. Adams & Co., Indianapolis, Ind.; American Holst & Derrick Co., St. Paul, Minn.; American Steam Gauge & Valve Manufacturing Co., Boston, Mass.; Ames Shovel & Tool Co., Boston, Mass.; Ann Arbor Machine Co., Ann Arbor, Mich.; Arlington Co., New York, N. Y.; Avery Co., Peoria, Ill.; Burroughs Adding Machine Co., Detroit, Mich.; Cadillac Motor Car Co., Detroit, Mich.; J. I. Case Plow Works, Racine, Wis.; Central Ohio Paper Co., Columbus, Ohio; J. G. Cherry Co., Cedar Rapids, Iowa; Chicago Belting Co., Chicago, Ill.; Chicago Bridge & Iron Works, Chicago, Ill.; Diamond Chain & Manufacturing Co., Indianapolis, Ind.; Du Pont Fabrikoid Co., Wilmington, Del.; Elyria Iron & Steel Co., Cleveland, Ohio; Hart Manufacturing Co., Cleveland, Ohio; Hart & Hegeman Manufacturing Co., Hartford, Conn.; Hilliard & Merrill (Inc.), Lynn, Mass.; Jeffrey Manufacturing Co., Columbus, Ohio; Kelly Axe Manufacturing Co., Charleston, W. Va.; Mrs. A. R. King (Inc.), Philadelphia, Pa.; Koehring Machine Co., Milwaukee, Wis.; Lawrence & Co., Boston, Mass.; A. Y. McDonald Manufacturing Co., Dubuque, Iowa; National Roofing Co., Tonawanda, N. Y.; New York Rubber Co., New York, N. Y.; M. A. Packard Co., Brockton, Mass.; Thomas G. Plant Co., Boston, Mass.; Peck, Stow & Wilcox Co., Cleveland, Ohio; Peoria Drill & Seeder Co., Peoria, Ill.; Pfister & Vogel Leather Co., Milwaukee, Wis.; Quaker Manufacturing Co., Chicago, Ill.; Saxon Motor Car Co., Detroit, Mich.; Scovill Manufacturing Co., Waterbury, Conn.; Sprout, Waldron & Co., Muncy, Pa.; Stromberg Motor Devices Co., Chicago, Ill.; Twentieth Century Machinery Co., Milwaukee, Wis.; United Drug Co., Boston, Mass.; Upson Nut Co., Cleveland, Ohio; White Sewing Machine Co., Cleveland, Ohio.

As before stated, the company enjoyed during the first years of its existence a prosperous business, especially in Russia, but through the Bolshevik uprising later lost a large amount of money in that country.

Early in the fall of 1918, with the approval of the President, a provisional plan was formulated by the Department of State for the purpose of extending economic aid to the Siberian population in Russia. The War Trade Board was intrusted with carrying out this plan and was placed in control of the distribution of supplies licensed for export to Vladivostok, a Mr. August Heid, being appointed as chief of the bureau of the War Trade Board in that city.

The sources of supply of goods to be shipped were arranged by the Department of State and were as follows: (1) Private capital, and (2) a revolving fund of \$5,000,000, which, I am advised, was set aside by the President out of the fund appropriated to him for the national security and defense. I may state here that this \$5,000,000 was not used, as the time in which this plan was in existence only lasted three or four months, and the International Manufacturers' Sales Co. of America was the only American company to participate in it.

In order to encourage private capital to assist in this plan for the relief of the Siberian population, the Department of State, through press statements and otherwise, urged and invited American merchants and manufacturers to sell goods in Siberia as a relief measure and announced that such merchants and manufacturers could obtain information as to the method of selling goods from the Vladivostok Bureau of the War Trade Board.

In October, 1918, this plan was cabled by the Department of State, through Mr. Morris, ambassador at Japan, who was then in Vladivostok, to Mr. August Heid, Chief of the Bureau of the War Trade Board in that city. It is very clear from the contents of this cable that it was the intention of the department in promoting this plan to encourage private capital to supply articles of prime necessity to the Siberian population.

In the fall of 1918 Mr. Postnikoff was in Vladivostok on business connected with his company and while there was interviewed by Mr. Heid, who explained in detail the plan for the relief of the Siberian population, and asked Mr. Postnikoff to get in touch with the directors of his company and urge them to arrange for the company to send supplies to Siberia in compliance with the request of the Department of State. Mr. Heid, as an official of the United States Government, urged that the company do this, saying that inasmuch as the proposed relief was in reality a call of our Government it was the right thing to comply with it, and further stated that all necessary assistance in distributing the goods and collecting the proceeds from the sales would be given the company by the Government.

Mr. Postnikoff thereupon took up the matter by cable with the directors of the company, with the result that the proposed plan was finally agreed to.

The goods—all shoes—were sent to Vladivostok in December, 1918, and January and February, 1919, distributed throughout Siberia as far as Ekaterinburg, and sold at a price which only covered actual estimated expenses and was not intended to furnish any profit.

Profiteering by middlemen in Siberia was avoided, as the goods were sold only to municipalities, cooperative societies, and Zemstvos. In this way the consumer was able to obtain the shoes at the lowest possible price.

As promised by Mr. Heid, every possible assistance was given the company in distributing the goods. The American Red Cross, which at that time was doing extensive relief work in Siberia, assisted the company by supplying railroad cars and attaching them to its special relief trains. General Graves, who was then in command of the American Forces in Siberia, ordered special guards to protect the goods, and the War Trade Board took control of the sale of them.

As previously stated, deliveries were made in December, 1918, and January and February, 1919, and were paid for in March, April, and May of 1919 by the deposit of Russian rubles in several Siberian banks. The total payments amounted to 7,271,292.55 rubles. At the time of these payments the Russian ruble was worth approximately 18 cents of American money. With interest to the 1st of January, 1922, payments for the shoes in American money amounted to \$1,308,816.46.

On February 14, 1919, under and in pursuance of an Executive order dated January 26, 1918, the Federal Reserve Board issued the following regulation:

"Until otherwise instructed, the exportation or importation of Russian rubles or the transfer of funds for their purchase by 'persons' and 'dealers' in the United States as described under the Executive order of the President of January 26, 1918, is prohibited."

While nothing was stated in the Executive order or the regulation issued by the Federal Reserve Board as to the reason for the latter, it is well known that it was intended to prevent dealing in Russian gold rubles and Russian gold by persons in the United States, and to prevent the importation of Russian gold to be used in furtherance of Bolshevik



propaganda and also to insure the United States from any future difficulties arising from such importation, the source of the gold being unknown.

It is indeed exceedingly questionable whether it was intended to prevent the completion of business transactions which had been entered into by American firms in Russia prior to the issuance of the order in perfect good faith, and especially so when the transaction had been urged by representatives of the Government and companies had entered into transactions because thereof.

Upon receipt of the notice of deposit of the purchase price of the goods in Siberian banks the company requested those banks to exchange the rubles into United States dollars, but because of the order of the Federal Reserve Board of February 14, 1919, the Siberian banks were unable to buy American dollars for the company. The company then endeavored to sell at least some of these rubles to American institutions in Siberia, such as the Red Cross, the Y. M. C. A., and Army headquarters, but without success, as these institutions dealt with American banks exclusively. The National City Bank of New York and the Guaranty Trust Co. of New York, both of which had branches in Vladivostok, were eager to dispose of as many rubles as possible after the exchange was closed.

There was no way for the company to convert the rubles into dollars by purchasing Siberian products and selling them in America, as the Siberian Government had placed severe restrictions on exports of raw materials. Even had these restrictions not been placed it would have been next to impossible to concentrate the raw materials at seaports, as transportation facilities were impossible to obtain owing to the demoralization and disorganization of the Siberian railroads.

In addition to this, the Siberian government, which was friendly to the United States Government and desired to assist it in every way possible, issued a restriction, following the ruling of the Federal Reserve Board prohibiting ruble exchange, which allowed withdrawals from the banks only in the amount of 1,000 rubles per week.

Every legitimate effort was made by the company at this time to transfer the rubles into dollars, but it was unable to do so. The result was that the rubles had to remain and still remain in Russian banks, and in the meantime the depreciation in the value of rubles has reduced the amount to practically nothing, meaning a total loss to the company. The facts above recited clearly establish the fact that the company was not responsible for allowing the rubles to remain in Siberia.

After the efforts to exchange the rubles, as above set forth, proved futile the matter was presented by the company to the Federal Reserve Board and to the Department of State, both of which held the transaction was within the purview of the order of February 14, 1919, and that no relief could be granted the company.

You will observe that neither the Russian nor the Siberian Government had anything to do with the sale of these goods. They were sold directly to the Siberian population and paid for in full in rubles. It follows, therefore, that the company has no claim against the Russian Government. The goods were sold upon the special request and encouragement of the United States Government and through its agencies, but because of the regulations issued by the Federal Reserve Board later on the company was unable to obtain the proceeds of the sales in American dollars.

I am also advised that Mr. Postnikoff took up with Mr. Heid the matter of reimbursing the company out of the \$5,000,000 above referred to, but was informed by Mr. Heid that the fund was not available, having been transferred for the improvement of the Eastern Chinese Railroad Co. and was being used for that purpose.

The International Manufacturers' Sales Co. of America was the only American concern which had time, owing to the short duration of the plan inaugurated by the Department of State, to comply with it and the invitation of the United States Government to aid the Siberian population and was the only American company that actually did so. The transaction was entered into wholly as a humanitarian one at the request of the United States Government. As before stated, the company arranged to and did sell the goods at a price which only covered expenses and was not intended to furnish it any profit. The Government assisted in the distribution of the goods and, therefore, under all the circumstances, the company naturally expected that the Government would assist in obtaining reimbursement if it was found necessary. There was, however, no contractual relation between the company and the United States Government by which the latter could be held to reimburse the company for the losses sustained. The obligation, therefore, is purely a moral one, and such relief as the company may obtain can only be had through an act of Congress.

As a result of its loss in this transaction the company was compelled to liquidate its indebtedness and to temporarily, at least, go out of business. Mr. Postnikoff has corresponded with the Department of State and the Federal Reserve Board in reference to the matter, and both branches of the Government have written him that while the spirit in which the company entered into and conducted the transaction was fully appreciated and sympathy expressed for the losses sustained, stated that they could not adjust the matter, as there was no legal liability on the part of the United States Government.

I have personally interviewed representatives of the Department of State and of the Federal Reserve Board, who were intimately connected with the matter, and have been assured by both that the facts as herein set forth are correct in every detail. In addition to this I have letters, affidavits, and other documents substantiating the facts, which I shall be very glad to present at the hearing before the committee on the bill, if such hearing is granted.

There is a wide scope of activity for a company such as the International Manufacturers' Sales Co. of America, and a great deal of benefit to the foreign trade of the United States might be derived from the resumption of its activities in foreign fields, greatly to be desired at this time. An adjustment of this claim would not only make good a wrong done to the company, but would put it on a sound financial basis again, where it would be able to resume the useful activities it enjoyed before the war and, through such activities, increase the output of something over a hundred factories which are owned by members of the company and which employ many thousands of people.

Thanking you very much for your consideration in this matter, and with personal regards, I remain,

Yours very sincerely,

A. L. THURMAN.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent

in executive session, the doors were reopened, and (at 9 o'clock and 42 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Tuesday, June 6, 1922, at 11 o'clock a. m.

## NOMINATIONS.

*Executive nominations received by the Senate June 5 (legislative day of April 20), 1922.*

### FEDERAL TRADE COMMISSION.

Vernon W. Van Fleet, of Indiana, to be a member of the Federal Trade Commission, vice John Garland Pollard, term expired September 25, 1921.

### APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

#### ORDNANCE DEPARTMENT.

First Lieut. Allen Ferdinand Grum, Coast Artillery Corps, with rank from August 20, 1919.

#### SIGNAL CORPS.

Capt. Haskell Allison, Infantry, with rank from July 1, 1920.

#### AIR SERVICE.

First Lieut. John Kenneth Cannon, Infantry, with rank from July 1, 1920.

### PROMOTIONS IN THE NAVY.

#### MARINE CORPS.

The below-named midshipman of the class of 1922, United States Naval Academy, to be a second lieutenant in the Marine Corps from the 3d day of June, 1922:

James Austin Stuart.

#### POSTMASTERS.

##### ARKANSAS.

Walter G. Baker to be postmaster at Peach Orchard, Ark. Office became presidential April 1, 1921.

Alice R. Beard to be postmaster at Gentry, Ark., in place of N. H. Mitchell. Incumbent's commission expired May 26, 1917.

##### ARIZONA.

William A. Fowler to be postmaster at Tombstone, Ariz., in place of P. A. Smith. Incumbent's commission expired January 24, 1922.

##### CONNECTICUT.

Paul N. Shaller to be postmaster at Chester, Conn., in place of E. W. Lewis, deceased.

##### FLORIDA.

Gillian A. Sandifer to be postmaster at Lake Helen, Fla., in place of E. M. Luffman, resigned.

##### ILLINOIS.

Ansel R. Dion to be postmaster at Clifton, Ill., in place of E. J. Berger, declined.

Susan Gilman to be postmaster at La Harpe, Ill., in place of J. V. Sperry. Incumbent's commission expired February 4, 1922.

##### LOUISIANA.

Edward J. Sowar to be postmaster at Norwood, La. Office became presidential January 1, 1921.

Cherie Cazes to be postmaster at Port Allen, La. Office became presidential October 1, 1920.

##### MAINE.

Carroll H. Clark to be postmaster at Ogunquit, Me., in place of F. R. Brewster. Incumbent's commission expired March 16, 1921.

##### MISSISSIPPI.

Benson L. Myers to be postmaster at West Point, Miss., in place of B. Y. Rhodes. Incumbent's commission expired January 24, 1922.

##### MISSOURI.

Eros S. Bradley to be postmaster at Frankford, Mo., in place of Edgar Jones, removed.

Robert W. Evens to be postmaster at Herculaneum, Mo., in place of J. J. W. Donnegan. Incumbent's commission expired April 6, 1922.

##### MONTANA.

Cornelius T. Hansen to be postmaster at Big Sandy, Mont., in place of C. H. Baker. Incumbent's commission expired April 30, 1922.

##### NEBRASKA.

Virgil E. Barker to be postmaster at Newport, Nebr. Office became presidential January 1, 1921.

Verne W. Langford to be postmaster at Laurel, Nebr., in place of J. R. Durrie, resigned.

Floyd Buchanan to be postmaster at Silver Creek, Nebr., in place of E. M. Guthrie. Incumbent's commission expired May 25, 1922.

## NEW YORK.

Vernon E. Taylor to be postmaster at Lima, N. Y., in place of M. J. Lockington, resigned.

Arthur E. Brundage to be postmaster at Newburgh, N. Y., in place of J. J. Peake. Incumbent's commission expired March 22, 1920.

Augustus P. Altemeier to be postmaster at Port Jervis, N. Y., in place of J. P. Gillen. Incumbent's commission expired March 22, 1920.

## NORTH CAROLINA.

Ira L. McGill to be postmaster at Lumberton, N. C., in place of D. D. French, resigned.

## OKLAHOMA.

Earl T. Hall to be postmaster at Fargo, Okla. Office became presidential October 1, 1920.

Wilson W. Howe to be postmaster at Pershing, Okla., in place of A. C. Whitaker, resigned.

## OREGON.

James D. Fay, to be postmaster at Gold Beach, Oreg. Office became presidential April 1, 1921.

## PENNSYLVANIA.

Herbert H. Park to be postmaster at Gibsonia, Pa. Office became presidential April 1, 1920.

J. Richard Duncan to be postmaster at Hellwood, Pa. Office became presidential October 1, 1920.

John Itzel to be postmaster at Salina, Pa. Office became presidential January 1, 1921.

Mary E. Healy to be postmaster at Drexel Hill, Pa., in place of E. C. Eichholtz, declined.

J. Howard Gawthrop to be postmaster at Kennett Square, Pa., in place of E. S. Taylor. Incumbent's commission expired February 4, 1922.

## PORTO RICO.

Leonidas M. Lopez to be postmaster at Camuy, Porto Rico. Office became presidential July 1, 1921.

Gaspar Ferran to be postmaster at Barceloneta, Porto Rico, in place of P. M. Rivera, resigned.

## SOUTH DAKOTA.

Frank C. Clegg to be postmaster at St. Lawrence, S. Dak., in place of G. A. Frederickson, declined.

## TENNESSEE.

Thomas E. Tipler to be postmaster at Grand Junction, Tenn., in place of R. H. Hurst, deceased.

## TEXAS.

James H. Loyd to be postmaster at Alba, Tex., in place of H. J. Caldwell, resigned.

William A. White to be postmaster at Cleveland, Tex., in place of R. E. Cherry, resigned.

Mayo McBride to be postmaster at Woodville, Tex., in place of A. H. Hughes, resigned.

## UTAH.

Stephen F. Stephensen to be postmaster at Riverton, Utah. Office became presidential January 1, 1922.

## VIRGINIA.

William P. Moorman to be postmaster at New Canton, Va. Office became presidential April 1, 1921.

William B. Dew to be postmaster at Sweet Briar, Va., in place of W. B. Dew. Incumbent's commission expired January 18, 1921.

## WASHINGTON.

Walter J. Hunziker to be postmaster at Langley, Wash. Office became presidential January 1, 1921.

Alfred R. Bramer to be postmaster at Marlin, Wash. Office became presidential April 1, 1921.

## WISCONSIN.

William H. Zuehlke to be postmaster at Appleton, Wis., in place of Gustave Keller. Incumbent's commission expired January 24, 1922.

## WYOMING.

David Miller to be postmaster at Cumberland, Wyo. Office became presidential October 1, 1921.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate June 5 (legislative day of April 20), 1922.*

## UNITED STATES MARSHAL.

Frank T. Newton to be United States marshal, eastern district of Michigan.

## PROMOTIONS IN THE ARMY.

## OFFICERS' RESERVE CORPS.

*To be brigadier generals.*

Henry Lewis Stimson.

Edward Caswell Shannon.

## ADJUTANT GENERAL'S DEPARTMENT.

*To be colonels.*

Joseph Wheeler, jr.

Charles Higbee Bridges.

Ralph Brewster Parrott.

*To be lieutenant colonels.*

George Luther Hicks.

David Yulee Beckham.

John Fleming Clapham.

*To be majors.*

Stuart Ainslee Howard.

Hugh Lawson Walthall.

John Buchanan Richardson.

Clarence Andrew Mitchell.

William Torbert MacMillan.

Henry Newbold Sumner.

James Sylvester Mooney.

Walter Cyrus Gullion.

Frank Cornelius Reilly.

*To be captain.*

Charles Clement Quigley.

## POSTMASTERS.

## ARIZONA.

Elfreda M. McIntyre, Gila Bend.

Samuel Simpson, Sonora.

## ARKANSAS.

James H. Johnson, Atkins.

Perry W. Hampton, Glenwood.

Charlie C. Cherry, Hoxie.

Robert E. Love, Hughes.

Maie Pierce, Manila.

Isaac J. Morris, Mountain Home.

Herschel Neely, Paragould.

Hubert C. Hallowell, Pochahontas.

## CALIFORNIA.

Frances L. Musgrove, Arbuckle.

Fred A. Lindley, Pismo.

## MINNESOTA.

Arthur L. Hamilton, Aitkin.

Asa R. Woodbeck, Brookpark.

Marie D. Anderson, Carlos.

Emil Kukkola, Finlayson.

Lawrence J. Nasett, Robbinsdale.

Harry M. Logan, Royalton.

Irving J. Jandro, Waverly.

## NEW YORK.

William J. Pike, Sanborn.

## OREGON.

Henry Scott, Jordan Valley.

## PENNSYLVANIA.

Emery E. Thompson, Elizabeth.

William H. Scholl, Hellertown.

Albert D. Karstetter, Loganton.

Leon M. Cobb, Mount Pocono.

## SOUTH CAROLINA.

Ralph W. Wall, Campobello.

## TEXAS.

Claud C. Morris, Rosebud.

Clinton J. Farrell, Vernon.

## VIRGINIA.

Miriam S. Yates, Brookneal.

Rufus P. Custis, Eastville.

Annie G. Davey, Evington.

Missouri S. Harmon, Melfa.

Mollie H. Gettle, Rustburg.

Ethel V. Vaughan, Timberville.